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# Legislative Actions Necessary to Expedite Base Conversions

Senate Select Committee on Defense Base Closures

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# CALIFORNIA LEGISLATURE

## SENATE SELECT COMMITTEE ON DEFENSE BASE CLOSURES

SENATOR RUBEN S. AYALA,  
CHAIRMAN

## LEGISLATIVE ACTIONS NECESSARY TO EXPEDITE BASE CONVERSIONS



DECEMBER 9, 1993

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SENATE SELECT COMMITTEE ON DEFENSE BASE CLOSURES

Legislative Actions

Necessary to Expedite Base Conversions

December 9, 1993

Seaside City Hall  
440 Harcourt Avenue  
Seaside, California

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SENATOR RUBEN AYALA, CHAIR: Ladies and gentlemen. Good morning, everyone. This hearing of the Select Committee on Defense Base Closures will deal with "legislative actions necessary to expedite base conversions." It is being held at the request of Senator Mello, the Senate Majority Leader and a member of the committee, and he happens to be the Vice Chair of this committee.

With an unemployment rate hovering around 10 percent, it takes no rocket scientist to realize the more positive steps we take to jump-start our economy the better off we are. Converting defense bases into economic units is such a step.

Three entities, plus the private sector, are involved in this transaction: the federal government, state government and local government. In my mind, local government will call the shots on what public conversions, if any, it takes to assist you folks at the state level. The federal government will be the catalyst for any substantial revenue streams to the state for conversion.

From prior hearings, it is obvious that the cost of environmental cleanup will be enormous. This year I carried SB 1X, which both Senator Mello and Senator Johnston supported, and the Governor signed into law. It mandated the Governor to appoint or select a person whose full-time responsibilities would be to identify and seek federal dollars for our state. Hard to believe, but it was not being done. Where other states in the Union had someone in Washington chasing these streams, no one from California was doing anything about it. So now with this bill the Governor is authorized to place a person who has the expertise in that area.

Which leads to the purpose of this hearing: What legislative actions are necessary, if any, to expedite conversions? Some say "None", others say "A lot". Most likely it's somewhere in between. You are the ones working with conversions on a day-to-day basis. Tell us where we can pragmatically help you from the state level.

Our agenda is quite lengthy. Try not to be too repetitive of prior witnesses. Anyone wishing to testify that is not on the agenda is free to do so. Just give your card or name to the Sergeant and you will be heard at the end of the formal agenda.

I want to call on Senator Mello for a few remarks before we get started.  
Senator Mello.



SENATOR HENRY MELLO: Thank you very much, Senator Ayala. Good morning, everybody.

I want to thank Senator Ayala and the committee for coming and holding this hearing here in Monterey, in Seaside. The committee has been holding hearings throughout the State of California and is learning the complexities of defense conversion. Every community is different -- and, of course, we're different here in Fort Ord -- as they are in other parts of the state.

I just want to say thank you, Senator, for coming here. And Steve Macola, the Consultant, has helped us here a lot in this community to try and solve our water problems. He's one of the foremost authorities on water in the State of California. And also, we want to welcome Bruce McPherson, a newly elected Assemblyperson here from this district. He's now been sworn in and will be accepting the duties in Sacramento very shortly. Also, thanks to Mayor Lance McClair of the City of Seaside for allowing us to hold this meeting here in your City Hall.

Just very briefly, I want to point out to the committee here that the closure of Fort Ord, which was announced back in 1991, is the largest in the whole United States -- 28,800 acres. To put it in perspective, it's the same size as the City and County of San Francisco. So you can see from that it's a tremendous undertaking that we have here.

I also want to welcome Senator Pat Johnston.

SENATOR AYALA: And also the Congressman. Congressman Farr and Senator Johnston. I'm sure you know that the Congressman and Senator Johnston's from the Stockton area. Of course, your own Senator Mello and your own Assemblyman, Mr. McPherson, are with us here today.

Go ahead.

SENATOR MELLO: We've been designated a demonstration model by the federal government, one of four designated in the whole United States, and I think it's because we've proceeded in the right direction here. We have a plan, which the government has said we have to have a plan, and we're working together to have a single voice in coming up with a single entity. And that's been our goal, is to have that so that we can then have the land transferred to this area.

Monies have been provided for the planning concept by the federal government. There's a \$15 million appropriation for housing conversions and military and other university uses. The tremendous opportunity we have here, I think, is really great.

I just want to point out to Senator Ayala and Senator Johnston, we did a stumbling block here a couple of weeks ago with the joint powers authority.

The entity was being planned to be used here for the governing entity, and in that joint powers agreement some of the concerns I have is that the cities and the counties have reserved to themselves the right to do the planning and zoning and it has no relationship to the plan that we have developed over this last two- or three-year period. I think that's a real shortcoming in the plan and I've been objecting to that, hoping that we can put together a mechanism where the plan, the umbrella agency that looked at the plan, could be implemented by local officials.

I want to thank Senator Ayala for his statement because I believe local government having the opportunity to carry out the plan -- he and I both served as county supervisors at the same time. That's where I first met the Senator, and he's continued, as I have, to respect the authority of local government.

The other measures in the joint powers agency that I think allow it to be terminated and allow members to withdraw, the termination can come about, that Section 8.3, just by a majority vote of the members. Which means that after land gets transferred they can terminate the JPA and we'd be right back with the proliferation of the governing entities.

So we have some more work to do, Mr. Chairman, and I'm committed, as I know you are. I've heard this statement made time and time again: California has taken a tremendous amount of hit on the base closures this last time around, and we just have to work together throughout the state, and especially in this area, to make sure that the conversion becomes a reality. We're blessed by having two universities to be located here -- tremendous opportunity for jobs -- and I think that's really the direction that we have to go.

So thanks again, Mr. Chairman, for being here. I know we'll learn a lot from the people here in the audience. They're all experts in their own field, and we have some out-of-town guests here as well that will shed some light on the complexity of defense conversions throughout the state.

Thank you.

SENATOR AYALA: Okay. Senator Johnston? Mr. McPherson? A brand new Assemblyman from the area.

ASSEMBLYMAN BRUCE MCPHERSON: Thank you, Mr. Chairman. I welcome you to the most beautiful and bountiful Assembly district in the state and thank you for the opportunity to address this committee.

Fort Ord's reuse is the most crucial issue facing the central coast right now and as elected officials we have the responsibility of assuring that our constituents receive the benefit of well-thought-out plans for action regarding the base conversion.



To date, the people of this central coast have witnessed nearly unprecedented consensus and cooperation among their elected public officials in the Fort Ord reuse process, since cooperation is befitting in a base conversion that has been identified as a model for closure by the United States Defense Department.

With that said, though, Mr. Chairman, I must say that major and possible fatal hurdles still exist in the formation of an entity that will be able to receive Fort Ord's assets from the federal government. Moreover, the State of California plans to open a Cal State University, Monterey Bay at the Fort Ord site at the end of 1995, also dependent upon a single governmental entity of which to do business with. As of now, that entity does not exist.

Guided by Ben Franklin's insightful words that "either we hang together or we hang separately," we here in the Monterey Bay Area continue to hammer out a joint powers agreement that will enable local jurisdictions to receive federal assets by next spring. Therefore, it must be your committee that establishes the long-term statewide conversion policy; as I know that you're working toward and have been working on for some time now. But this policy must allow that other communities affected by future base closing will not have to reinvent the wheel by addressing two questions that I believe state remedies might be applicable.

First, your committee should work to determine if it is appropriate for state and/or federal relief to be given to local entities when their existing general plans or budgets do not provide for the ability to pay the additional short-term costs associated with the immediate acceptance of federal lands, especially when the ability to produce revenue from those lands will not be realized for some period of time.

For example, the City of Marina estimates it will have to bear approximately \$1.4 million of additional public safety costs from the time it receives its share of Fort Ord prior to being able to develop the property. Are they deserving of relief? That is a question I hope that your committee might be able to provide some insight.

Secondly, right now the joint powers agreement being negotiated by the Fort Ord group is at loggerheads over certain terms in the agreement; this despite the fact, as I mentioned before, that there has been unprecedented consensus and cooperation over the two years the agreement has been written. If the JPA negotiations fail at Fort Ord it's certain to happen elsewhere.

Another question for your committee, I think, is: Can other remedies be made available through state legislation besides the inflexible process

embodied in community service districts which invariably restrict local government over important decisions like land use?

Should your committee be able to offer policy solutions to these two concerns, I believe other jurisdictions throughout the state will not have to wrestle with the issues that presently are undermining the progress at Fort Ord. We've already seen the worst examples of base closures at Hamilton Air Force Base, closed and virtually inactive since 1965, and at George Air Force Base, currently tied up in litigation. We just hope that we don't add Fort Ord to that sad track record.

I encourage you to address those two issues in particular, and I certainly would be open to any questions and I thank you for your time.

SENATOR AYALA: Thank you.

Congressman Farr.

CONGRESSMAN SAM FARR: Thank you very much, Senator, and I appreciate your coming to the beautiful Monterey Peninsula for this very vital hearing.

I think it's very appropriate to have representatives of state, local and federal governments here at this time as we try to consider in California how we're best going to convey property from federal ownership to state, local and private ownership. My experience has been not only as former Chair of the Assembly Local Government Committee but sitting on the task force that Senator Mello now chairs, and serving this region in Washington as a member of Congress.

What becomes evident is that you really have a two-pronged process going on at the same time. You have one of the federal government and the military installations falling under federal law that have to do their job of getting out. And to get out they have to meet the requirements of cleanup, have to do an EIS (Environmental Impact Statement), and their interests are not necessarily the same interests as those of the community who wants to take over the property.

So we have a process going on where you have essentially the existing tenant cleaning up the property to make it good but not necessarily to fit the new tenants that will be on that property. And that difficulty is essentially, in Washington, one of a military process of a top-down decision-making process versus a community reuse effort, which is a bottom-up kind of redevelopment type process. And I think that the law at the federal level is very awkward in allowing states to best utilize the interest in trying to reuse the property in the community's interest.

We have seen that happen here at Fort Ord. As the President has indicated,



this is a model base closure. It is also a model for how problems occur. We have tried to keep the military, the federal interests on time, on target. Their deadline is to have the base ready for reuse next spring, to have the toxic cleanups that are possible to be done, economically possible and structurally able to be completed, so that the property can be transferred. The question is: Who is in position to receive the property?

There's two conveyance models in the federal level: One, the public conveyance model which is one that everyone's familiar with, and that essentially says that you have to offer the property to all other DOD interests (Department of Defense agencies), then to all other federal agencies, then to state and local governments, and the last in line, if nobody else claims it or wants to pay for it, will be the public sector who can then come in and buy it at fair market value.

That process has been difficult in transferring educational institutions because there's a restriction in the federal law that doesn't allow those institutions to use that property for any profit-making purpose. Essentially, you can't give away federal land to another public entity who will be able to make money on it or allow someone else to make money on it.

With what we have at Fort Ord, with the University of California being the the anchor client for a research center, indeed the very purpose of that is to invite private sector investment into property that would be held by the University of California. And I have successfully convinced the Department of Defense that if, indeed, any downstream profit would be made by that transfer, then the Department of Defense could share that.

So this session of Congress passed new law called the Pryor Amendment, and that allows the Secretary of Defense in base closures to, and I quote, "...transfer real property and personal property located at military installations to be closed under this title to the redevelopment authority with respect to the installation." The law goes on to further define a redevelopment authority as being, "...a redevelopment authority of the state or local government or any other entity." So, the language that we were able to adopt for Fort Ord, which doesn't relate to any other military property in the United States, specifically spells out that the Secretary will transfer the property to the California State University and to the University of California as spelled out in the amendments that I introduced and were adopted in the report language by the conference committee.

The point I would like to make to this committee, because the State of California does enact laws which govern how local governments or how county

service areas or any specially created district can operate, I think there is a vacuum in state law that does not allow, when the federal government is ready to vacate the property, to turn that property over to some type of entity -- an escrow agent, if you will -- that would hold that property consistent with the adopted reuse plan until the local entities have reached an agreement.

I think that the disputes you see going on here are valid and real. Communities have vested interest in it, perhaps sometimes more parochial than they ought to be, but that's the way communities work and are successful. But if we are unable to develop a joint powering agreement locally or some other kind of device that could govern the use of that property from here on out, then I think we are in a very awkward position in this state because we have asked the federal government to be on time and to be ready to convey the property and then we find that the local governments and the state is not in a position to receive it.

So my suggestion is that I think there needs to be in state law perhaps a generic escrow agent that could stand ready to receive the property when the military is ready to vacate and that they would hold that property until the local government is in a position to receive title.

Also, I concur with Senator Mello and Assemblyman McPherson that there are, indeed, concerns that local governments have, particularly when you have a state institution coming on to the property. As you know, none of this property is paying property taxes now and that which will end up in private hands will pay property taxes. Communities will benefit from increased populations through the subventions of sales tax and other subventions that come with populations. But there is going to be a shortfall period, a dry period where no revenues will be generated for the demands and services that must be supplied to the communities. And so I think that the state needs to address that issue. Kind of a dry period loan or some kind of assistance to local communities.

And lastly, I'd be glad to work with you in any way that is possible to make this process of transfer of military lands within the State of California as expeditious and as effective as possible. We have seen bases in this state that have laid dormant for a number of years because of the inability to implement a reuse plan, and we certainly don't want that to happen here. This community is suffering from higher than statewide averages of unemployment. Fort Ord reduced the population base of this area by 10 percent. The trickle-down effect of that was a layoff of a massive number of teachers at the local school districts who were very helpful in passing a bill that I authored,

and Senator Mello was able to take over after I left, to loan these school districts some money for the impact that was made. But I think that we need to get this community going again and I think the state's going to play a major role in being able to be an interim officer to help communities like this get back on their feet in the transfer.

Thank you for being here today and I'll be glad to answer any questions you might have about the Pryor Amendment or the public conveyance process that's now in federal law.

SENATOR AYALA: Thank you, Congressman.

Before I call on the first witness, which will be the Chairperson of the Monterey County Board of Supervisors, Barbara Shipnuck, let me say that the function of this committee is not to come into a community and spell out for you what you ought to be doing. The function of this committee is to take the consensus of those communities involved in the conversion, since you have the expertise more so than we do, and tell us how we can assist you at the state level to expedite your construction of new facilities and whatever you're bound to do. But our committee will not be going to the communities. You decide your own destinies. We are very strongly supportive of home rule, local control, and for that reason I think that you ought to know that we're not here to tell you what you ought to be doing but more to listen to you and see how we can assist you in the days to come. So with that, I'd like to have the first witness come up.

Supervisor?

SUPERVISOR BARBARA SHIPNUCK: Senator Ayala, I want to thank you on behalf of the Board of Supervisors and the people of Monterey County for bringing your committee to this part of the state to talk about an issue that's of great concern to our constituents.

I also would like to start with the comment that you just made. I don't see this committee or our own representatives as attempting state control or a state takeover. I see you here in a way of helping us to continue to move us forward, and I'm most appreciative of that. I think it was made even more significant that you hold this hearing here because of some of the recent events. It's been fortuitous for us that the timing occurred this week, even though I recognize that hearings are planned far ahead. So again, our great thanks.

I'd like to identify myself. I am Barbara Shipnuck. I'm the Chairwoman of the Monterey County Board of Supervisors and I serve as one of the two county representatives on the Fort Ord Reuse Group. Today I would like to share my

thoughts about base closures and the need for the governing structure proposed in Senate Bill 899, authored by our own Senator Mello.

Our county is the home of Fort Ord. It's the largest in acreage of the United States military bases to close to date. It covers 28,000 acres, equivalent to 44 square miles, about the size of Chino Hills. Approximately 22,000 acres are in the unincorporated area, and I want to stress that -- 22,000 acres are in an unincorporated area -- including 4,000 acres of the most beautiful coastal property in the United States, and 8,000 acres which are home to rare habitat and endangered species, and also an impact area covered with unexploded ordnance. Cities of Marina and Seaside have jurisdiction over approximately 6,000 acres, predominately developed areas, resulting from annexation for the per capita subventions in the 1970s.

I want to digress a second from my prepared text. The cities of Seaside and Marina have had no responsibility for providing services on base. This has been specific military enclave, and yet, across the last 20 years, have received subvention funds on a per capita basis with the concurrence of the County of Monterey because we recognize the economic strains of the City of Seaside and then the newly incorporated City of Marina. So they have, in fact, reaped some financial benefits in the base being here. And it becomes a great concern, particularly to those of us in a larger community here now, that they are very concerned about the possibility of having to provide the funding for services if they continue to move forward with annexation. I have asked our staff, and they will be providing you with the figures next week, to run the data for the last 10 years of the amount of federal subventions that have been paid to those two cities.

From the beginning we have received pressure from the Office of Economic Adjustment, the Department of the Army and the Department of Defense for a single point of contact when dealing with base reuse. This is just good business sense. We want to join the cities of Marina, Seaside, Del Rey Oaks, Sand City, Monterey, and Salinas (who we fought to include) in a joint powers authority, but we have been terribly concerned that the joint powers authority have some teeth, an ability to implement the reuse plan and to obtain the financing necessary. We have received a great deal of support in this regard, including comment by the Monterey County Hospitality Association, the various chambers of commerce throughout the County, the Building and Construction Trades Council of Monterey and Santa Cruz counties, the Monterey Peninsula Commercial Property Owners Association, our Hispanic Chamber of Commerce, the Monterey Peninsula Taxpayers Association, and the League of Women Voters

throughout the County.

Rather than sign a joint powers agreement that did not have regional credibility and the power to assess regional solutions, we decided to ask Senator Mello to amend SB 899 to include the entire Fort Ord military base as the bill was initially drafted.

Woodrow Wilson once said that, "I would rather lose in a cause that will some day win than win in a cause that will some day lose." Signing the joint powers authority with no specific powers except coordination will, in the long run, leave us with no ability to provide for the service delivery and infrastructure improvements so desperately needed at Fort Ord. Signing the joint powers authority as it's currently drafted, without at least a recognition that implementation will be done consistent with the reuse plan, which was requested by our Assemblyman, our Congressman, and our Senator, will be a loss for the larger community and will get us nowhere.

The issue of governance in our community arose as a result of the base closure and became heightened at exactly the time we found ourselves needing to be unified on the future reuse and redevelopment of Fort Ord. In base closure situations elected officials desire to give the closure a positive twist to emphasize the opportunities. But by definition they are grappling with defeat, with the departure of the military from the community and a potential shadow that will be falling upon our economy.

Elected officials put forward a strong face in light of what looks at the time to be total economic devastation. They are losing direct jobs and the military revenues expended in their community. We worry about the impacts that releasing property will have on the existing real estate market and vacancy rates. The possible negative impacts on services, not only police and fire but health and welfare services, become very real.

In an attempt to assert control during very uncertain times, agencies dedicate resources, including staff, to figure out how to overcome the impact. They spend money attempting to learn the ins and outs of base closures, Washington, D.C. and the Pentagon -- most likely by hiring consultants and technical experts and attorneys -- and they become extremely protective of what they view as their existing powers even though their existing powers and authorities over military controlled land is nonexistent.

The natural reaction for a community facing base closure is to retrench as opposed to collaborate with and seek assistance in the greater community, particularly if there is any question of jurisdiction as there clearly is at Fort Ord. To appear vulnerable or to question governance is very difficult

given the highly politicized nature of the base closures and the need to appear in charge. The city council becomes reluctant to delegate reuse authority to another board, agency or district. This is best illustrated in the case of Fort Ord by the desire of the cities of Seaside and Marina to retain their land use authority on the base. Viewing this power is critical to provide for the reuse of their part of the base. They have taken the position despite the fact that these cities have had no role in providing services on the federal land and have annexed the territory exclusively for per capita revenues. The cities have never provided direct services on the base.

It would have been helpful for us to have had a ready-to-implement state crafted governance solution rather than having to exhaust valuable local resources discussing governance, because it is precisely at this time that communities need the help that a more regional authority can provide. Fort Ord will require redevelopment, infrastructure upgrades and improvements. Cost of these improvements are most appropriately borne by the largest possible planning area -- the benefits to be shared by the same. This is what the County was attempting to develop in its original request for state legislation reflected in SB 899.

SB 899 creates a special district with the ability to provide any service that a county may provide. The district is authorized to use any financing tool counties are authorized to use; it can impose benefit charges, user fees, standby charges and can issue bonds. This district, as envisioned by the Monterey County Board of Supervisors, would also be able to capture tax increment revenue as properties are placed on the tax rolls. This becomes increasingly significant with the adoption of the Pryor Amendment that I heard Congressman Farr speaking to.

SB 899 gives the County a way to implement the base reuse plan by establishing the Fort Ord Special Services District. The district puts a governance structure with accompanying powers and financing tools in place, ready to begin operations when the Army conveys the property, which is expected as early as April 1994. SB 899 provides the means to recover and hopefully expand our economy.

State sponsored legislation could create a governing structure that will help communities implement their reuse planning. The economic recovery of the communities impacted requires a unified, deliberate and multifaceted legislative effort. What is needed is an umbrella agency that, at a minimum, prepares the reuse plan and in the best case has the power and financing ability to pay for the needed improvements.



Because of the political realities of base reuses, it becomes extremely important to develop incentives for communities to work together regionally. And this is where I believe the State Legislature has a major role to play. I don't see you as taking over our authority but, in the case of the community that cannot come to grips together, of providing a tool that would go into place if we are unable to chart our own destiny. Communities are receptive to new tools through state legislation to facilitate base reuse because the existing mechanisms are inadequate. To be effective, state legislation creating a single governing authority should, first,

- Eliminate non-strategic placement of new development based on unrealistic jurisdictional boundaries and revenue enhancement; second,
- Prevent fragmented service delivery; and third,
- Provide a forum to resolve conflicts and make decisions in a timely manner with adequate representation from the affected agencies.

We feel SB 899 could be amended to deal with these issues on Fort Ord and would urge your support when it comes to the Senate for concurrence.

Thank you very much for the opportunity to appear before you and provide my perspective on Fort Ord, our governance needs and what it takes to provide successful conversion of a base. A coordinated and cooperative reuse effort is extremely important to our constituents and the Monterey County Board of Supervisors. Your committee's interest is very much appreciated. We look forward to working with the State Legislature and welcome the input from your Committee in helping to develop amendments to the legislation necessary to promote the regional solution and address other technical issues related to SB 899.

Thank you very much.

SENATOR AYALA: Any questions from members of the committee?  
Mayor?

MAYOR LANCELOT C. McCLAIR: I have no questions, just a response when my time comes to speak.

SUPERVISOR SHIPNUCK: We'd expect no less, Mr. Mayor.

MAYOR McCLAIR: Thank you.

SENATOR AYALA: Thank you very much for your testimony.

The next witness is Mayor McClair, City of Seaside.

MAYOR McCLAIR: Thank you, Senator.

On behalf of the City of Seaside, let me give you a warm welcome to our beautiful city and to our chambers. I'd like to first, Senator, if you will, introduce some of my working colleagues in the audience. I have in the audience this morning Vice Mayor Don Jordan. Don, are you here? He might have

stepped out. I have Councilwoman Helen Rucker. I have Councilman Darryl Choates and various staff and citizens.

I certainly appreciated your opening comments, Senator. It was refreshing. You talked about home rule, and you stated that you didn't come here to control or to tell us what to do. But you stated in your words that you came here in the highest of goals to respect democracy and participation. I wish that some of my colleagues at the state and congressional level and the county level would, I hope after this meeting, follow that premise.

Let me say, too, in all due respect to all the individuals who spoke and my colleagues Congressman Farr, Ms. Shipnuck, Mr. Bruce McPherson, let me say they are right on point in terms of the issues, in terms of saying we need a recovery, we need to get together, we need a viable plan to do so. But the problem, Senator, is that all of these issues that they're talking about can be resolved in a joint power agency and that's what the JPA was meant to do.

Let me just give you a little bit of brief history here. When we started moving toward reuse we started together. The cities started together. We worked with the federal government, Leon Panetta, and so forth, and after the federal government had indicated that it was going to transfer Fort Ord we settled back onto a reuse strategy. And not withstanding some of the problems that we've had and the bumps and grinds that we have had -- which is natural to elective bodies and people getting along trying to resolve a very unprecedented situation such as Fort Ord -- but we finally came together and we developed FORG. Then the next hangnail was that it's not going to be complete unless Salinas be a part of it, and we went back into the same kind of debates and so forth. Some of the issues have been mentioned here this morning. And finally, the mayors of Monterey County, certainly the Peninsula, not the County but the mayors of Monterey County realizing that the cities are where the populations are, the cities are the ones who provide the highest employment, the cities are the ones who provide the protection, public safety and so forth. The cities are the ones by number that were hurting.

So we realized that what we had to do is sort of suppress some of our ego and we agreed to bring Salinas in. Everybody was happy. The Senator, in all respect, and also compliments to him, had a meeting and all the mayors of the FORG got together and the County got together as well and said, we're on our way. We're on our way toward bringing the community together.

The CSA that Ms. Shipnuck indicates that she wants to support was briefly discussed and it was agreed that we will handle all of those issues once the JPA is formed because it is very important, from a timely perspective, that we

get the JPA on board and provide an umbrella by which members of the FORG, the other members such as the senators, the Congress and so forth, we can hash out these issues. But the problem that we have, Senator, is that somehow, out of our sight, out of meetings somewhere -- I don't know whether there's a lonely roadhouse or where it was -- but the fact of the matter is that the mayors who made this tremendous sacrifice, representing not their own feelings but their communities, they were not present. Our representatives -- state and federal level -- should have called us and said, hey, look, there is a problem, we need to talk about it. And what happened, Senator, is that we were surprised with this unexplained show of unity between federal and state officials.

I hope that we can move toward this, and what we want in this community, we want to see that democracy. We want our state and federal representatives to come back home to the community and recognize that the mayors, the cities, which comprise of a higher membership than even the County on the FORG, were not a part of this very important decision that went forward without them. Right here, they're talking planning here. The issues involved that's being related to are issues that should be on the JPA and as to where want the state. And here again, I'm glad that you appreciate home rule and I hope that there's an appreciation that that's what we want.

First of all, what we do not want the state to do through any kind of legislation, we do not want legislation imposing political solutions to the local community's base reuse planning process. Specifically, the Legislature should not establish state reuse authorities which usurp local government's planning and redevelopment powers. Proposal to take this action in relation to Fort Ord has been suggested already by Ms. Shipnuck here this morning.

The Legislature imposing a regional decision-making entity on the local community's base reuse planning process, I think, is very dangerous, Senator, to the demonstrated cooperation that we have demonstrated to the public. That we as cities can come together and work with our legislators in providing the appropriate mechanism to move forward on this reuse.

What is happening here, Senator, speakers here are treating the cities and the communities like stepchildren. We're not stepchildren. What I would like to see, Senator, is for you to encourage your colleagues to come back home and work with us and enhance the work that we've already done. A lot of money has been spent going back and forth to Washington, D.C. I am just surprised with my colleague Ms. Shipnuck, in a very venomous delivery against cities and so forth and misrepresented facts. But if there is anything you can do for us, Senator, is to simply say we support all you representatives getting back

together and doing the things that you promised to do. That is, support a JPA where all the parties have a respect for participation. This is not respect for participation. This is what I call, and I think some of my colleagues certainly did yesterday say that this is an attempt to gouge, to railroad and to rob the communities of their rightful position to participate in this reuse process. This is unnecessary and we have shown that we can cooperate. We want to cooperate. But I think the state has got to be a partner with us all.

And just lastly, Senator, I know your time is short. I'm taking less time than Ms. Shipnuck. I would ask that under the umbrella of the JPA, as we are all working together, Senator, that the state support our economic recovery program when we are negotiating with the Army. We need the state's political power in Washington telling the Army to listen and accept the cities' economic recovery program. That means the FORG.

We support streamlining of the state's environmental laws to bring economic recovery projects into reality on a rapid basis. We also support, through a state designation, military bases as redevelopment project areas within the California community development law. This action, Senator, will reduce the length of redevelopment project area designation processes and allow economic recovery programs to become a real reality. We support a thorough tailoring of existing state and federal grant programs to channel funds to base closure activities which provide for economic recovery. And lastly, Senator, we support state sponsored meetings such as this one to bring state and local elected officials together to address base closure issues.

And we need to understand the uniqueness, Senator, of the cities of Seaside and Marina. We don't have the elite power and money that many of the other communities have that grabs the attention of those who have joined together to walk through our right to participate, and this is why laws are very important. We do not want to mar this process into a situation where our only remedy is that age-old remedy that we've been able to get relief from before and that's the courts. It happened in a redistricting effort. I think it would be fatal for us to fall into that situation now, and what we're asking for, Senator, is some kind of a sobering consideration on the part of our elected officials. These men and women have been great officials over the years, they've been great representatives -- Congressman Farr, Senator Mello -- but right now they're off base.

Thank you.

SENATOR AYALA: The JPA that you have in your area here, is Seaside a member of that?

MAYOR McCLAIR: Well, I don't know now. Yes, we are. Well, the JPA, sir, has not been created at this point. It is a proposal, and up until last Friday it was all but clear that it was going to be a reality. And it can still be a reality but we need to have our senators and our Congress people supportive. We don't need them to be the real players. I think that the talents of our city officials along with our supporting staff in other agencies throughout this community have well demonstrated their sophistication and knowledge at every level of administration -- federal, state and county. I think they've been doing well. What we need to do, Senator, is get the political power game out of it and bring it back to the people.

SENATOR AYALA: The answer is yes, you're a member of the JPA.

MAYOR McCLAIR: Yes, sir, there is one.

SENATOR AYALA: You well know that at the city level, county and state, you must have a consensus of the members of any given group. I wouldn't want to take sides with what you're doing here because I don't think I'm that knowledgeable of what you're doing here, but it takes a consensus to move forward. I don't know that you'll ever get a hundred percent participation on any given issue when you have a number of communities participating. But if you can get a consensus, that's all that I think higher levels of government will recognize, whether it be state or federal, in order to assist you in what you want. You can have a minority report if you want to but in any given issue at council meetings I'm sure the consensus carries the order of the day whenever it comes up. I don't think you need unanimous consent.

You mentioned that in this area most of the people live in cities, but having served as a mayor and a supervisor, counties provide many more services than cities do to their constituents. Let's don't forget that.

We have a problem here that I can tell you for sure I'm not acquainted with what you're having here. All I'm here is to find out how we can help you. If you'll surface those issues that I think the state can get involved in terms of legislation to expedite the thing that you want, then we'll be a success. We're not a clearinghouse. We're not here to decide who is right and who is wrong, but to hear from you folks to tell us what it is that you want at the state and federal level and we can pursue that for you.

Senator Johnston, you have some comments or questions?

SENATOR PATRICK JOHNSTON: Thank you, Mr. Chairman.

Mr. Mayor, I'm not as familiar obviously as your local representatives. I represent an area in the Central Valley that includes Mather Air Force Base and that is in the unincorporated area of Sacramento County. So to some degree as

a reuse plan was developed in our community there were less jurisdictional differences than perhaps you've experienced here. As big as Mather is, it's dwarfed by the size of Fort Ord.

But perhaps you could clarify for me, in addition to the process that concerns you, did not a reuse plan have to be developed for submission to the federal government?

MAYOR McCLAIR: That's correct.

SENATOR JOHNSTON: And with respect to that reuse plan, did your city agree with the county and with other local government participants in what that reuse plan would be?

MAYOR McCLAIR: Yes, Senator, under the aegis of the FORG there was both city and county cooperation in the development. That's correct.

SENATOR JOHNSTON: I gather from the tone of your comments something went wrong between then and now.

MAYOR McCLAIR: Well, what went wrong, Senator, is that in these planning stages, they need to be carried out with the parties who are involved. The guidelines are set, the understandings are set. There is continual communication with each other regarding those plans. I don't see any significant erosion of the ability to do that except when we throw in a curve such as a CSA, which was not on the table.

SENATOR JOHNSTON: Well, I think I understand your discussion about organizational structure, but I'm interested, is there some substantive differences that your city or other cities now have with the reuse plan? Are there changes that you want to make after the development of that plan?

MAYOR McCLAIR: Well, I'm sure there are, but our main goal right now is getting the rod through the record of decision, getting it through in a way that in the future the Army doesn't put any restrictions on the land use out there once we have settled upon the land use provision.

SENATOR JOHNSTON: What's at issue here? What do you want to do with the land in your city that you think somebody's going to object to?

MAYOR McCLAIR: Okay, what is at issue, really, right here, Senator, is state control. What is at issue here now is that we want to develop the JPA as we started. That's the issue that we be allowed to discuss.

SENATOR JOHNSTON: Well, Mr. Mayor, with all due respect, both you as a mayor and the Board of Supervisors and others, just like in my communities, do expect help from the state. You want investment...

MAYOR McCLAIR: We don't deny that.

SENATOR JOHNSTON: Well, you want investment by the state, you want



participation by the university, and all of that is a commitment of the taxpayers of California. So I'd like to know what you want to do in your community different from the agreed upon reuse plan. Why should we buy a pig in a poke?

MAYOR McCLAIR: What do I want to do different than the reuse plan that we've agreed upon?

SENATOR JOHNSTON: Right.

MAYOR McCLAIR: Well, that's not an issue, Senator. That's what I'm trying to tell you right now. Right now what is happening...

SENATOR JOHNSTON: Well, let me be blunt because...

MAYOR McCLAIR: Please do.

SENATOR JOHNSTON: ...we don't live in the same community and I'm not as gentle as Senator Mello.

MAYOR McCLAIR: I can take the hit.

SENATOR JOHNSTON: If you come to Sacramento and expect my support as a member of the Appropriations Committee for resources in order to help this area transition from military to civilian and private use of this facility and you say that's not at issue when I ask you what you're going to do with the money, I'm not going to be inclined to support your request.

MAYOR McCLAIR: Well, let me ask you this, Senator. If we come in for money, are you going to have a criteria as to the kind of organization that you'll give credit to in terms of dispensing with monies that are requested? Are you suggesting a certain organization, an incorporation?

SENATOR JOHNSTON: No.

MAYOR McCLAIR: I think this is where the issue is. I understand where you're coming from, Senator.

SENATOR JOHNSTON: Mr. Mayor, I think that there are different organizational structures that might work. In the area of Mather I was asked to carry a bill, which the Governor signed into law, that created a redevelopment area for that base, a network. But I agree with the Chairman, when Senator Ayala says that what we are basically looking for in Sacramento, and I suspect in Washington even more so, is local consensus that issues that are fought about in a community not simply being transferred to a different forum, namely the State Capitol, and then we, who don't know the area but have a vote, have to try and sort out or make decisions that would offend some people because we certainly don't know it as well. So I know that organizational structure is important but underneath that somebody wants to do something with the land.

MAYOR McCLAIR: May I just visit this again, okay? It's well set out in our plans what we want to do. But you do agree, do you not, Senator, that when you're talking about consensus, that cities who are involved should be active participants in the decision making and be apprised of every opportunity to be a part of that decision? Senator, that's the issue here. You know, that is so overriding in the issue, Senator, that the specific questions you have pale in comparison, if you'll excuse me. We're trying to get to the table. We haven't even been able to get to the table of even getting to the point of your question.

SENATOR JOHNSTON: Well, Mr. Mayor, there's no point delaying the hearing at this point, but I just say that is an important question. I recognize it and I will listen closely but it is not the only question. I hope during the hearing I'll find out what the fight's really about.

MAYOR McCLAIR: Thank you, sir.

SENATOR AYALA: May I just ask one question before I call on Senator Mello. Are you suggesting that the City of Seaside has not been a participant in all of these discussions?

MAYOR McCLAIR: Senator, let me just say this, because the issue is not totally if Seaside itself has had participation. You say any discussion, Senator? Any discussion? Well, I'll have to say Seaside has, but there are minor discussions and there are major discussions, and the minor discussions are diminished based upon the major discussions that are given and major decisions that are made. And what I'm saying, Senator, is no matter how you cut it we were moving toward a consensus on a JPA, which is the requirement. We need a single unity in order to deal with the military, in order to hand over the plan. That's what we need. Before we got to that point there were other criterion thrust upon the mayors that we had no opportunity to discuss or anything like that. That's what I'm talking about.

SENATOR AYALA: In my district, Norton Air Force Base will be closed and they've also formed a JPA there. There's 10 cities involved because they're affected plus the county. And yes, they had their differences and they disagreed more than a lot of times, but the consensus is moving on and it's that consensus that's the glue that keeps the thing together. If every time a city doesn't get what they want they pull out, then we have a total disaster in terms of getting things accomplished. I'm not speaking of your case in particular. But it appears to me that if one city is going to have their way or else, and if you've been heard and denied, that's one thing. But if you haven't been heard that's something else entirely. And you have been heard.

MAYOR McCLAIR: I would hate for you to isolate us that way, Senator. It's not that isolated of a situation. We have 5 cities. Five cities, Senator. And I suggest to you that's a major consensus there. When two or three individuals who are elected officials not part of a FORG substantially erode that union, I suggest to you, sir, that's not an isolated case. And I think the experience we've had, Senator, is that that has been -- and I'm not suggesting that's the way it is in your case, I don't believe so -- but that has been the trick in this area, to isolate the City of Seaside and make them look like the bad boy, or you don't get your way, and so forth. There are substantial issues here that's common to all the cities.

SENATOR AYALA: Senator Mello, did you want to...

SENATOR MELLO: Yes, just briefly. I want to respond to Senator Johnston's questions which are really right on point, but you didn't get the right answer from my perspective.

Let me point out what the issues are here. I passed out a copy of the joint powers authority there and I'll be referring to just about three of those sections. On that wall you see the map, and Mr. Joe Cavanaugh will be going through that. That's our plan. It includes three universities, it includes residential, commercial, industrial, an ag center. It includes a lot of uses but that's the total plan for the planning of Fort Ord.

Now, Congressman Farr and myself and Assemblyman McPherson saw the JPA in its final form only last Friday during this meeting and there was a big rush on to get it all signed up at that point. And as I went through it, and so did Congressman Farr and others, I found things that concerned me. Number one, on page 8, [Section] 3.3 -- now bear in mind, here's the plan, and you asked the right question, Senator Johnston. He said, what's wrong with the planning to carry out the plan? Well, Section 3.3 on page 8 says, "Each member expressly possesses and reserves and retains the right to adopt, implement and enforce in their sole discretion land use plans, land use zoning and building regulations, capital improvement plans, public improvement or service plans for property or facilities within Fort Ord within it's respective jurisdiction..." and so forth.

Now, that doesn't say anything about them carrying out the plan. It means that once the property is transferred to these entities -- namely, Seaside, Marina and the county -- then they have to go back and replan the area on their own wishes.

What I'm asking for and Congressman Farr and McPherson is saying, there has to be a tie-in to this plan that we spent a half a million dollars developing,

and that's what I say about home rule. I don't want the state doing the planning. I don't want the state carrying out the plan. I want these guidelines to be followed so that the local entities and their jurisdictions adhere to the plan.

Now, let me turn the pages over to page 12. It starts on page 11 about the term. Lo and behold -- it's a surprise to me in looking at this -- a joint powers authority is going to have to "borrow money, issue bonds to carry out their intended purposes for infrastructure and capital improvement..." et cetera, and that means they're going to go to bonding companies to get bonding money. Now, [Section] 8.2 says that "Any member can withdraw from the JPA by giving a one-year notice but not after the first two years of the date of this agreement." So how is a bonding company going to sell a 15- to 30-year bond repayment when the agency can fold up by withdrawing?

Now, [Section] 8.3 right below that is even more serious to me. Once the property is transferred and the plan is sitting there, then this says "termination." "This agreement," meaning this JPA, "may be rescinded and FORG terminated by a majority vote of the members provided that no such termination shall relieve FORG or any succeeding agency from any financial obligations incurred while operating under this agreement."

Now, what I see coming, here's the plan we spent money on, the property becomes transferred, the universities are going to be there, then they terminate FORG and they go back to operating it themselves.

The third one -- the other one is amendments to the plan -- has to have 100 percent of all members. Even the U.S. Constitution can be changed by 75 percent of the states. The State Constitution can be changed by a two-thirds vote.

I want to point out to Senator Johnston and Senator Ayala and others here, the State of California is making the biggest investment in the Fort Ord property of anybody with a university at Monterey Bay, a state university expected to have 25,000 students plus the faculty and the University of California university to be located there by the airport on about 1,000 acres. What I'm concerned about is this plan must have integrity, it must have continuity, and it must be compatible to the universities. Now, the minute they jump the plan and go back to them zoning, what's going to happen across the street from the university? Are we going to see a mishmash of adult video stores or any other type of twenty-one story buildings that are going to come in and around it? That's not in the plan currently, and that's what this Section 3.3 says, they can go back and carry out their own plan.

I'm raising the question that the JPA won't work were it to remain the plan, number one. It won't work for the ability to sell bonds to finance the infrastructure. So why proceed on a basis that's not going to work?

So I'm trying to put some strength into the JPA, and Mayor McClair, you're the first one that says, you know, we should come back to the table, and I appreciate that because I want to say here and now that Mayor Takali from Marina and the county and everybody, if it takes me to bring this group together again, I'm willing to do that. Yeah, I do have 899 in Sacramento as a backup, but if we can do this in a JPA I'm willing to start having some meetings. And I'll ask Kevin LaGraff from my staff over here, and if Fred Meurer and Joe Cavanaugh coordinate it, and let's start meeting to see if we can put things in the JPA. But what I'm going to insist upon -- I want to let it be known right here and now -- this plan has to be carried out by the member agencies, number one. And number two, the life of the JPA has to be for a minimum of 15 years. And if you don't get that in there it's not going to work, because whether you have my support or not, we're just heading up a dead-end street.

So, Senator Johnston, I wanted to explain to you why I'm concerned. I think the state has a legitimate concern here. Knowing that the two universities are going to make up a large share of Fort Ord, we want to make sure that the planning uses are compatible in and around the university, plus this JPA has to have the authority to get the job done and create the jobs that we're all looking for. And that's where the disagreement is.

SENATOR AYALA: I don't think the committee will sit in judgment of whether who's right and who's wrong in this issue. I think the Senator is correct. Unless you have a plan, there's nothing we can do for you in Sacramento in terms of the funding, whether it be bonding or whatever it is. My committee is really helpless in terms of assisting you because we don't know what we're going to assist you on since you don't have a plan that you can work on and get behind it. Obviously, you're not going to get a hundred percent agreement in Sacramento. If you get a bill that goes through with no opposition it's a nothing bill. It doesn't do anything. But if it has a little bit of controversy and it does something, there's a lot of opposition to it. But again, in Sacramento, like everywhere else, the consensus is the majority rules and we move on to other things but we get behind that which the majority will support.

Mayor?

MAYOR McCLAIR: I'm pleased to hear Senator Mello's statement.

First of all, let me make it very clear, when it comes to formational contracts, as the one we are talking about, surely nothing is perfect. And what I hear the Senator saying and I think is good is, look, there are some areas that we need to be addressing. I don't have a problem with that, okay? What I hear the Senator saying is that we're going to come back together, we're going to bring all of the FORG membership in, all of the cities, and those areas that he has a concern about we're going to address. The fact of the matter is, either the wagon works or it doesn't. And so in order to get it to roll all the participants have to be involved and included. That's the point of importance here.

The thing that we're very concerned about is as we do this formational contract which represents the JPA, which establishes a relationship amongst each other protecting our varied interests, is that the state not be a party to the contract; that the state does just as you state, that it gives support, and when there is a reasonable critique in terms of moving forward that you be there to do that. And I don't have any problems with that and I certainly appreciate the Senator's suggestion of saying, look, let's get back together and let's pull it together. He's been a fine Senator and I think we can work this thing out. But it has to be participation.

SENATOR AYALA: Which one do you accept? The Senator's proposal that we put aside those proposals which everybody agrees on and then work on those areas of controversy?

MAYOR McCLAIR: What I'm saying, Senator, I don't necessarily accept the critique that's been presented because I don't think it's relevant in terms of the larger question of saying let's go back and look at the JPA once it's formed.

SENATOR AYALA: There is nothing in that agreement that is supported by the City of Seaside?

MAYOR McCLAIR: Oh, absolutely, we were part of the agreement. But what I'm saying, Senator, is that what we need to do is form the JPA and it has been established that if we have any issues there, let's discuss those issues.

SENATOR AYALA: You don't have one now? I mean, I was under the impression you had one already.

MAYOR McCLAIR: Well, we're talking about ratification, Senator.

SENATOR AYALA: But you accept the Senator's proposal, to sit down with whomever and see what can be resolved.

MAYOR McCLAIR: I accept the Senator's proposal to sit down with the FORG members.



Thank you.

SENATOR AYALA: Thank you.

All right, the next witness is Mayor Takali from the City of Marina.

MAYOR TAK TAKALI: Good morning, Chairman Ayala and distinguished representatives. I am Mayor Tak Takali of the City of Marina, and Marina is one of the hardest hit cities due to the closure of Fort Ord.

SENATOR AYALA: More so than Seaside?

MAYOR TAKALI: One of the cities, one of the hardest. So Seaside is the other one and down the line.

I want to thank you for the opportunity to testify regarding the Fort Ord base closure. It is a subject which dominates the city which I serve as Mayor.

By the way, sir, my testimony coincides with what you were asking a while ago, what do we want you to do for us. This is what my testimony is, right on the line.

SENATOR AYALA: That's what we want to hear.

MAYOR TAKALI: Marina has always endeavored to make the base reuse process work. We have reached out to other communities to solicit and incorporate their concerns in the Fort Ord reuse plan. I believe this inclusive and flexible process is essential for community base reuse planning. We have done this in the past and we shall continue in the future.

In this testimony I want to focus on the subject of community impact. Surprisingly, this is a subject often misunderstood.

#### **Community Based Economic Impact**

When we first learned that Fort Ord was going to close, the perception was that our economy was going away. The estimates were that the economic impact would be more than \$350 million per year.

Now the Seventh Infantry (Light) has left. We are moving toward the bottom of the cycle and the financial impact is upon us. It is not so severe as we might have feared, but on the other hand it is much greater than the mild impact recently portrayed by the City of Monterey and Salinas media. In my city we have been feeling it for a number of years. The first great impression was a loss of hope by local residents. People become more conservative with their money and less sales tax flows into our city.

#### **City Based Economic Impact**

Over the past three years in Marina we have reduced our city employees by 15 percent. We have not been able to give cost-of-living raises for a couple of years. We have cut back on our capital and have eliminated every costly or less than essential program we could find. As a last resort, we raised taxes

to fund a base level of service. We learned from our efforts that we can manage our problems and recover in a reasonable time. For us it has been a less than comfortable reality but we are learning to manage.

#### **Mandates and Their Impact on Reuse**

The greatest problem which confronts us is not the loss of economic base but the additional costs which are placed upon us. It is this challenge we must meet when economically as a city we are pressed the most. Some of these costs are normal and expected if we are to pick up this basic service delivery. Others are simply state and federal mandates. Uniformly, there is little assistance to help us cross the threshold.

#### **McKinney Program**

One of the most vexing problems for us has been the McKinney program. This is a federally mandated housing effort which has a priority for property on closing bases. Within Marina, 180 units have been designated. These units have been set aside to serve a worthy social purpose in support of the homeless.

The practical impact of the program is to require significant municipal services for which the city receives no assistance. The services are regional in scope, but municipal services to support them are funded only from the city in which the units are located. Our analysis is that the annual cost of the public safety services will range from \$250,000 up for just the McKinney properties. This is one of the most costly federal mandates that the community has ever experienced and there is no relief in sight.

#### **Planning**

The ability to use properties for economic recovery is not a simple matter. Before the properties can be integrated into a city's land use plan, state mandated elements are required. In addition, an extensive state mandated environmental document must be completed. We are now attempting to initiate this process. Our estimation is that it will cost more than half a million dollars. This is a considerable cost for which there is no or limited relief from the federal government or the state government which enacted the mandates.

#### **Municipal Services**

We are now working on a service provision plan. To implement services on Fort Ord we estimate the initial cost will be more than \$1 million. We will incur this cost years before there is significant supporting economic development in place. For significant development to move from general planning to opening can easily take 5 years. There is no relief to the directly affected communities for this purpose, so we must develop a program to

absorb this cost which may run from \$5 million to \$10 million as a city supported community investment.

We are not here to complain about the fact that we will have to pay millions of dollars from local sources to implement planning and services on Fort Ord. We understand that this effort is a requirement to act on the opportunity before us. We are committed to rise to the challenge.

#### **Rethinking the Emphasis on Regional**

It seems that everyone who talks to us places the emphasis on regional. I suggest this should be rethought and, instead, specific programs to assist those most directly affected should be considered. The assistance should not only be genetic but also community based to those entities which have to carry the load of federal mandates such as McKinney and which have to pay the bill for the basic services which any program depends upon. This may be the less glamorous and forgotten face of reuse but it is also where the "rubber meets the road" and where reuse will be, in the end, either a success or a failure.

#### **Having the Tools**

Being effective with base reuse depends basically on having the tools. These tools are primarily financial but also legislative in the sense that base closures should have in place special rules which facilitate environmental clearances, interim general planning, the focusing of market possibilities through enterprise or empowerment zones, the ability to recover service and utility costs through an authorization to create, before conveyance, public facility districts. These districts would then be in place when the property transferred to the private owners.

These are specific examples of the kind of assistance which is needed for the community which must pay the bills and absorb the cost. In general, interim assistance is necessary to facilitate the transition from military to civil.

I deeply appreciate this opportunity to appear and present the City of Marina's current thinking about ways to improve and enhance the base reuse process.

And Senator, I tried to come right to the specific points. You know, just like what you said, what can you do for us? Hopefully, my testimony does reflect that.

SENATOR AYALA: You did mention something there, that in most cases the closure of a plant is not of a local issue necessarily -- some are hurt more than others -- but it's a regional problem we've got to cope with. And like I said earlier, some cities may be affected more than others but the regions are

affected economically and otherwise when the plant closures take place. We want it to be true up and down the state.

MAYOR TAKALI: And also, we have an open ear and open mind. We're not closing our doors and we're not closing our ears to any working points that could work for all of us.

SENATOR AYALA: Senator Mello is willing to sit down with you folks and see what can be ironed out...

MAYOR TAKALI: And we're willing to sit with the Senator.

SENATOR AYALA: ...and go over this plan, if it's workable. If not, then try another one. But it appears like you have the workings of a good plan. If you want to amend it or change it or add or delete, whatever, I think the Senator is willing to meet with you folks.

MAYOR TAKALI: Well, thank you very much and we're looking forward to meeting with the Senator and Assemblyman and Congressman and whoever wishes to meet with us. We'd be more than happy to meet and talk. You know, it's good to talk and come to an understanding that would benefit all of us in the right direction and the right manner.

I want to thank you very much.

SENATOR AYALA: I'd like to take a five minute break at this point and when we return we'll call on Lieutenant General James Moore, U.S. Army, retired.

(BREAK)

SENATOR AYALA: Can we have you folks take your seats so we can reconvene the hearing? I'd like to call on Lieutenant General James Moore, U.S. Army, retired.

LIEUTENANT GENERAL JAMES MOORE: Good morning, Senator. I appreciate the opportunity to be here today. I'm not really sure what my role is other than as a retired generalist. I was asked by Senator Mello's staff to make some brief remarks having to do with the Fort Ord Task Force, which is still an operative task force commissioned in February of 1990 by then Congressman Panetta.

SENATOR AYALA: It's existing but it's inoperative at the moment.

GENERAL MOORE: Well, it is operative, sir, in the sense, say, during the past year we've gotten together the task force under Senator Mello's leadership when he took over from former Congressman Panetta, and we've had, I'd say, six or seven meetings. It's a forum to bring together all of the political leadership in the county, the state level, and our now Congressman Farr to hear

reports from the Fort Ord Reuse Group, from subcommittees of the Fort Ord Task Force, which I'll explain in a minute, to see how things are coming on base reuse planning -- what are the problem areas, what are some of the issues that need to be addressed -- and then figure out who's going to work on those problems.

SENATOR AYALA: When you were involved in this committee you hadn't retired. You were still active.

GENERAL MOORE: No, sir, I was retired from the Army.

As a brief historical backdrop, the Fort Ord Task Force was organized by Leon Panetta 04 February 1990. So we're going back four years now in terms of what are we going to do about Fort Ord if it closes, how do we plan for the redevelopment of Fort Ord?

In '91 Congressman Panetta and the membership of the Fort Ord Task Force shifted gears from arguments of why we should keep the fort open to arguments on preparing a strategy towards the redevelopment and reuse of the Fort Ord property. The Congressman and the political leadership of this area wanted a broad-based community effort, and hence, we formed a volunteer organization of seven large committees called Advisory Groups with over 300 participants looking at various areas of the redevelopment process; to wit, education, land use...

SENATOR AYALA: Was Fort Ord created as a result of World War II?

GENERAL MOORE: Yes, sir, it was.

The Fort Ord Task Force and its large committees of 300 participants, through public forums, a lot of meetings of the various committees in the period of a year, from the summer of '91 to the summer of '92, produced a document called the "Fort Ord Task Force Strategy." We very specifically used the word "Strategy" so we'd stay away from the use of the word "plan". Planning connotes the responsibilities of the state, the county and the cities in order to do planning. So we gave it a broad-brush land use map, various observations and recommendations, and the bottom line of that strategy, a 760-page document, which is still a good resource document with facts and figures and so forth, is six strategic themes.

It's interesting to note in the discussion today that one of those six strategic themes was the formation of a governmental entity in order to produce a base reuse plan. Now we're here 18 months later talking about that same topic. Before his departure for his work as the Director of the Office of Management and Budget, Congressman Panetta, with my assistance and the assistance of others, tried two or three times to consummate an agreement for

joint powers authority prior to the task force going out of full-time operation in October of last year. We came up with a looser organization, the Fort Ord Reuse Group, constituted under a memorandum of understanding which brought together the county and five cities around the periphery of Fort Ord in order to do the reuse planning as required by Department of Defense, Department of the Army, and to pull together as a focal point all the planning efforts.

There have been attempts over the past 18 months since we tried to form a joint powers authority for its good points or bad points, depending upon how you're looking at it, and therefore discussions have been ongoing ever since that time, for 18 months, and here we are today still talking about that same particular issue.

SENATOR AYALA: The jurisdiction that was formed under then Congressman Panetta, how did it differ to the JPA?

GENERAL MOORE: It was an organization that was not chartered in any sense. It was an organization that was brought together sort of like a citizens committee. It happened to be composed at the leadership level of the Congressman, the state representatives, the County Board of Supervisors, and the mayors of all 12 cities here in the county, and we sat in this room or other public places in open meetings to discuss...

SENATOR AYALA: It didn't have the force of law.

GENERAL MOORE: It did not have the force of law. It operated on consensus which, of course, causes some problems but it also causes some opportunities.

Since the task force went out of full-time operation and was supplanted by the Fort Ord Reuse Group -- Joe Cavanaugh took my place as the full-time coordinator of the Fort Ord Reuse Group. Prior to that I was a full-time volunteer coordinator for the Fort Ord Task Force doing the same general things. The idea was to shift from the production of a strategy and get into, with the political entities, the more detailed base reuse planning as required by Department of Defense as you lead up towards the disposition of the property.

As I mentioned, Senator Mello has, since last year, had several meetings of the task force. He commissioned a blue ribbon committee, for example, to look at health care issues relative to the closure of the hospital. I chaired that committee. We delivered a report. I can provide you with a copy and also with the organizational structure of the Fort Ord Task Force if that would be of interest to any of the other communities in the State of California.

To answer your question as to what can the state do, from my experience



working on this business either full time or part time for the last year, the state, like the local community, needs a focal point. My experience was that the Office of Planning and Research provided that through Van Williams and gave us an opportunity here at the local level to plug in with the various state departments, and that office served the very needed requirement of keeping us posted as to what was going on within the state departments across the board, whether it be Fish and Game or something else with whom we had to coordinate. So that was a very important function. The state also provided some matching funds for grants which were necessary for operation because when we began this process there were no funds.

SENATOR AYALA: Has your group at any time considered a planned community for the area with schools and hospitals and all kinds of, you know, low-income housing?

GENERAL MOORE: Yes, sir. Those were all elements of this product called the Fort Ord Task Force.

SENATOR AYALA: But it's not the plan now.

GENERAL MOORE: That is not the plan now, although the plan that Joe Cavanaugh is going to describe to you is inching closer and closer to this initial strategy that we had as we make some modifications to...

SENATOR AYALA: But you did consider having a planned community with schools and...

GENERAL MOORE: Yes, sir. The original strategy had a university, had...

SENATOR AYALA: Special district sort of approach.

GENERAL MOORE: No, sir. We did not consider that, although at one point, at the request of Congressman Panetta -- I believe it was in late '91, early '92 -- then Assemblyman Farr, with his experience on governmental structures, was asked by Leon Panetta to get together the participants of the local governments to determine what type of governmental structure might be most expeditious to get on with reuse planning. Those discussions, I think, which took place maybe once or twice, didn't seem to get too far.

SENATOR AYALA: How many employees are going to be displaced?

GENERAL MOORE: At Fort Ord, sir?

SENATOR AYALA: How many employees will lose their jobs in the area, the region? That's just one community, but the total region.

GENERAL MOORE: The total region, sir, I'd have to ask Joe Cavanaugh, who's going to be the subsequent speaker, to address that point. The numbers I was familiar with have now changed over time.

From watching this as a citizen and being somewhat involved in the process

here, I keep harping on two things. First is the principle of the objective. We all have the same objective in this region and that is to recover from the downsizing of Fort Ord, to redevelop the property such that it fits in best with the overall communities' desires to what we want to have here as we approach the year 2000. So we're all interested in the same objective. There are questions, as discussed this morning: How do we get there from here?

The second thing that I think that is required is unity of effort in terms of an organizational structure that brings that about. One that will provide for local redevelopment planning, a way to execute that planning, how you can share costs and revenues and how you finance the taking over of this property. While I understand full well the arguments of the cities that they ought to be responsible for their own fate, I also understand the role of the broader community, the county as a whole, and some role by the state since they're going to invest in the university on the property, that others would like to have something to say in the total planning for the effort.

Those conclude my remarks, sir, unless you have further questions.

SENATOR AYALA: I certainly agree with what you've said. Everyone should be able to have their say and participate in any given plan, but until you have a plan there's nothing the federal government or the state can help you with. I think Senator Johnston put it right on the dot when he said, you know, we're not going to be able to provide funding since we don't know what your plan is all about. Tell us what your plan is. Until you have that plan you're only hurting yourselves because you're not going to move anywhere with it. You keep going around and around. It provides no opening for higher levels of government to assist you until that plan is complete and ready to go. You have to sell it and if you don't have one I think the chances of getting help are very, very small.

GENERAL MOORE: I would like to mention to Senator Johnston there, sir, that we did go to school on Mather Air Force Base. They were two years ahead of us in this learning curve and they were very helpful to us. The great difference here is in the degree of difficulty and in the degree of difficulty from the political structure. I wish Fort Ord were all in the unincorporated part of the county, or all within one city limits. That would make this whole process very simple. As it is, we have the federal government which will remain, we have the state which will be taking over property, we have the county which has part of the unincorporated part of the county, two cities which have long ago annexed portions of Fort Ord, and then three fence-line cities who want to annex property at Fort Ord. That's what makes this a very

challenging and difficult problem, and it's going to take great leadership to figure out the best organization to get us through this.

SENATOR AYALA: So there's this area now within the base that is of the county; several cities have parts of it.

GENERAL MOORE: Two cities, sir. Yes, sir.

SENATOR AYALA: Versus the county.

GENERAL MOORE: The county has part of Fort Ord, the undeveloped part of it, in effect. Twenty-two thousand acres, as mentioned by Supervisor Shipnuck, would actually fall under the unincorporated part of the county.

SENATOR AYALA: Isn't Salinas not too far from the site?

GENERAL MOORE: Yes, sir. In air miles it's maybe...

SENATOR AYALA: Spreckels is there someplace?

GENERAL MOORE: But the problem with Salinas and Spreckels and other communities is they're not contiguous to Fort Ord, sir. They're city limits.

SENATOR AYALA: There's a county between them.

GENERAL MOORE: Yes, sir, that's correct.

SENATOR AYALA: Any questions for the General?

GENERAL MOORE: Thank you, sir.

SENATOR AYALA: I'd like to thank you, sir, for your testimony.

GENERAL MOORE: I'll give copies of these reports to whoever wants them.

SENATOR AYALA: Thank you, General.

Our next witness is Joe Cavanaugh, the Project Coordinator, Fort Ord Reuse Group, referred to as FORG.

MR. JOE CAVANAUGH: Senator Ayala and members of the panel and members of the public, ladies and gentlemen. It's a great pleasure to be here and to talk to you today about probably the more upbeat aspect of what's been happening at Fort Ord, and that is our successful reuse planning effort as it relates to the plan that I'm going to be presenting to you. I'm going to give some brief background, present the plan, and then comment briefly on legislative actions that might be helpful at the state level.

Our local economy is composed of three major components. One is agriculture, one is tourism. In the past the third has been military.

In answer to your direct question as to how many jobs are being lost as a result of the downsizing of Fort Ord, we're losing approximately 31,000 people, which is about 9 percent of our total county population: 14,000 soldiers and 17,000 dependents. We're losing 5,000 jobs and a payroll, an annual payroll of \$423 million. So that we have significant impacts and these impacts really are concentrated in the cities of Seaside and Marina and those cities that are

closest to the fort. We have, as Supervisor Shipnuck pointed out, a kind of double whammy occurring here for us.

SENATOR AYALA: Only Seaside and Marina are contiguous to the base?

MR. CAVANAUGH: They are actually within the base now and in 1972 when the case of Seaside actually annexed portions of the base. When I go to the map I'll point out the political boundaries to you, Senator.

In terms of background on the planning effort, we adopted the strategic themes that were presented to us in the "Fort Ord Task Force Strategy Plan". That document, a very large document, comprehensive in scope, about 760 pages, was the result of over 300 citizens working for a year and a half to put together a community based strategy.

The strategic themes that we've incorporated in our plan are three. One is economic development, and economic development combined with education is a driver for the creation of quality jobs. In our area we have a fairly high cost of living here, including housing. It's very important to create jobs that are, what we consider, quality jobs. Jobs that pay well, jobs that are permanent, full time, with benefits. Many of the jobs that have been created in our country and in our state in the last 10 to 12 years have not been that type of job. And to live in our area you have to have a quality job that pays well or you're going to become a part of the social welfare system in one way or another. So economic development and the creation of quality jobs was one of our principal objectives.

We have a plan now, that I'll be explaining to you briefly, that creates between 60,000 and 80,000 of these quality jobs in the next 50-year period. We're also working on the concept of technology transfer where education through the University of California, Santa Cruz Science Center at Fort Ord we plan to have a 50-acre science center; again that I'll explain to you. We'll have not only the University of California system within it in their laboratories, but also it will be combined with federal agencies like NOAA and local nonprofit organizations like the Monterey Bay Aquarium Research Institute. All of these doing research in the area of marine biology, oceanography and environmental science. So that our plan, as was done with the University of California, Berkeley and Stanford University and the creation of the Silicon Valley and the industries that developed there, it's our plan to make use of the research center that's put at Fort Ord to create a university research park that would enable the creation of this type of quality job.

So it's those three strategic themes -- education, economic development and environmental preservation -- that you'll see in the map that I'm going to

present to you now.

This is the 44 square miles of Fort Ord. This is Highway 1. We're currently in the City of Seaside right about here. The political boundaries of the City of Seaside extend up into the fort, taking about half of the urbanized area into the City of Seaside. This was accomplished some years ago...

SENATOR AYALA: Actually, within the boundaries of the city?

MR. CAVANAUGH: Yes, sir.

SENATOR AYALA: Not the zone of influence but actually...

MR. CAVANAUGH: Right. Not the sphere of influence but they actually have been annexed into these two cities. And again, the city boundaries, the colored portion of the map is what is within Fort Ord now. This is the Fort Ord boundary. This dotted line is the city limits of the City of Seaside. So this area is within the City of Seaside. This area is within the City of Marina. This area, the entire coastal area, is in the unincorporated area of Monterey County and most of the interior is also in the unincorporated area of Monterey County. And this area is in the unincorporated area of Monterey County within the sphere of influence of the City of Marina.

SENATOR AYALA: The majority of the area is in county territory.

MR. CAVANAUGH: Well, approximately 22,000 acres, including the area which is within the sphere of influence of the City of Marina, is in the unincorporated area of the county.

So we have, as has been pointed out by other speakers, a very complex situation and we have the existence of three political jurisdictions already on the board. Then we have an additional three cities -- the City of Sand City, which abuts the coastal area on the south, the City of Del Rey Oaks, which is down the Highway 68 corridor, as well as the City of Monterey. So we have two cities and a county within Fort Ord and then three additional cities that are contiguous with Fort Ord.

In answer to your question about the City of Salinas, the City of Salinas is here and separated from Fort Ord by some of the best farmland in the world. Its compost, soil, is the best soil in the Salinas Valley. It's unlikely that the City of Salinas will ever annex territory to be able to become a part of land use jurisdiction at Fort Ord. Spreckels is a small area down here and, again, is not contiguous. But there are three cities that are, the City of Monterey, Del Rey Oaks and Sand City. Those are the members of the Fort Ord Reuse Group that has done the planning for this particular map.

The way this plan came together was that within political jurisdictions, existing political jurisdictions, we could not agree by consensus and through

our process, that political jurisdiction that had the responsibility for the area subsequently determined the final land use.

So what you see here is a consensus plan developed by the six entities mentioned -- Monterey County, the cities of Marina, Seaside, Sand City, Del Rey Oaks, and the City of Monterey. They all participated in the development of this plan, and last March they adopted an initial base reuse plan, each of the cities and the county, that provided the backbone and the beginnings for this preliminary draft of a final base reuse plan. This plan, actually, we're calling a hybrid map or hybrid plan. Within the EIS structure that the Army created, the Army created their own preferred alternative, unfortunately. This was a big mistake and fortunately the President's "Five Point Plan" corrects that error. So we were faced with a situation where the Army had created a preferred alternative and we, the community, had created a plan as well.

So what we've done in order to meet the EIS requirements is combined our plan with the Army's plan to come up with what's called a hybrid plan. And this is the beginnings of the final base reuse plan for Fort Ord which will be complete by next April. So by April of '94 we hope to have a consensus and sign-off by all the political jurisdictions on this plan or something that looks very much like this plan.

So briefly to describe to you the elements within our plan and to explain to you how we have taken the strategic themes of economic development, education and environmental preservation, we combined this on the map. I'll begin with the interior of Fort Ord, a very large area portrayed on our map in green, which is an area that has been set aside in total from the Bureau of Land Management for an environmental preserve for endangered species. We set aside a large area with the idea that the 20-plus threatened, endangered and candidate species will all be protected in a large ecosystem enabling us to develop in those areas that are not included as part of that habitat management plan. It actually includes the green corridor here and it goes all the way up into the Fritzsche Field area. It contains an opportunity through biology for these species to multiply and to interact and creates an overall environmental system that preserves the endangered species.

SENATOR AYALA: Your plan is to keep most of that area, in light green, as a preserve for wildlife?

MR. CAVANAUGH: Yes, sir. This area is going to be managed actually by the Bureau of Land Management.

The area up in the Fritzsche Field area, where I'll begin my description, the University of California at Santa Cruz, all of these areas that are dotted



on the map are the areas that comprise the (quote) "benefit conveyance" to the University of California, Santa Cruz. There are two main components of the 50-acre science center that I described as well as a university research park that will surround this area and similar to what Stanford Research Park does at Stanford University. So this area up near Fritzsche Field will be dedicated to those uses as well as a general aviation airport which will be owned and operated by the City of Marina which will replace the existing Fritzsche Army Air Field.

The University of California, Santa Cruz is also asking for a large acre that's formerly a landfill to be used as a landfill research area. It's still in mediation. Environmental science is one of the main thrusts of the University of California effort at Fort Ord. They plan to use it as a laboratory to study how to remediate landfills and to capture energy and to go forward in environmental sciences which we feel is one of the developing areas for creating quality jobs.

The area shown in blue, which is an (inaudible) area zoned industrial, is a place where we plan to have a state-of-the-art agricultural center. This center would take produce from the Salinas Valley and provide for a state-of-the-art packaging, processing, distribution point for that agriculture, preserving farmland in this area and enabling this land to be used for the trucks and for the buildings that would do the processing, cooling, packaging and distribution of ag products.

Also, you see a small asterisk here, this is an area where we plan to create 250 units of farm worker housing under the auspices of the McKinney Act which provides property for the homeless. Also, these asterisks, which are within the city limits of the City of Marina, indicate other concentrations of homeless projects at Fort Ord. There are over 200 units of existing housing at Fort Ord and other facilities such as warehouses that are going to go for homeless programs under the McKinney Act. In addition to that, here in the City of Seaside there's a small 10-unit project. So over 450 units for the homeless are going to be created at Fort Ord. Now, there are over 6,000 housing units there. The housing program that we put together for the homeless was a coordinated effort by the Monterey County Housing Authority. They worked in conjunction with the Fort Ord Reuse Group to come up with a realistic plan and we feel that although there are problems to be solved, particularly as they relate to revenues for the City of Marina in order to be able to provide the public services for these homeless projects, that we have a good workable solution for the homeless issue at Fort Ord.

In this area we have what's called a MOUT facility (Military Operations in Urban Terrain). The existing (inaudible) facility was used for training, for fighting in urban areas. It's expected that the FBI and other local law enforcement agencies will continue to do that type of training in this area.

Then along the Highway 68 corridor there's a proposed alternative Highway 68 coming through Fort Ord that will relieve congestion on existing the State Highway 68. The dark green areas around the Laguna Seca park will be used to enhance the Laguna Seca park and provide parking opportunities for the major events. We have a regional cross country track that goes by York School. We have an existing Ryan Ranch area within the City of Monterey which is a commercial business park extended up into this area, and we have a community park, a natural area expansion of a frog pond, and a place for a conference center, an additional commercial business park in the City of Seaside, and for potentially the City of Del Rey Oaks that has filed a sphere of influence application with LAFCO.

This area is about 8,000 acres of impact areas. The impact area is an area where there are unexploded ordnances that are still in this area that create a health and safety problem. The Army is still trying to figure out how best to do this cleanup. It's compounded by the fact that there are many concentrations within this area of the endangered species. So that there is a need to go in there, clean them up and still not destroy the habitat for the endangered species.

This area within the City of Seaside is the golf course. It's two championship golf courses which are scheduled to be transferred to the City of Seaside some time in April, and going for private redevelopment and also provides for the local military retirees...(inaudible). And this area in turquoise is an area set aside as an enclave of the U.S. Army for the Defense Language Institute and the Naval Post Graduate School which are located here in the City of Monterey. So this is primarily a housing area to support the Defense Language Institute and Naval Post Graduate School in the City of Monterey.

In addition to that, there is the Cal State University campus and a housing area on campus which is going to begin in the summer of 1995 with 2,000 students. Just recently the first phase has been funded through the efforts of Sam Farr and the federal government of \$15 million to begin the conversion of this area, the barracks, dormitories, Army training areas into science labs and classrooms. For this new Cal State University, Monterey Bay campus, it's expected to grow to a full-time equivalent of 25,000 students by the year 2020.

So coupling with the Cal State University campus with the University of California system is something unique that has never been done before. It's part of our collaborative efforts to work together on the planning of Fort Ord. And there are eight other institutions of education being planned -- the Monterey Peninsula College, Golden Gate, Monterey Institute for International Studies, Monterey Peninsula Unified School District and other educational institutions that will be located in and around these university areas. So we have truly taken the theme of education and made it a reality here in our planning for Fort Ord.

To speak briefly on the beach area, most of the areas, certainly the beach areas, will be totally restored to their native vegetation and hopefully linked up with a state seashore system that's being proposed for the Monterey Bay. In addition to that we have some other potential uses on the coast. One is a site for a desalination facility to help us meet our water needs. Another is an area here for a public works yard for the state park system which is closing to take over this whole area and turn it into a state park. We also have an Asilomar type of facility, a 300-room conference center that would be environmentally sensitive to the area similar to the Asilomar facility in Pacific Grove at this time.

SENATOR AYALA: Without raising a controversy again, but your group is planning into the City of Seaside.

MR. CAVANAUGH: This area actually on the coast is part of the unincorporated area of Monterey County.

SENATOR AYALA: No, the City of Seaside. Give me the boundaries again.

MR. CAVANAUGH: The City of Seaside comes up along...

SENATOR AYALA: And your group is planning within that area some activities.

MR. CAVANAUGH: We are. Totally in conjunction with the City of Seaside.

SENATOR AYALA: The city agrees to that plan?

MR. CAVANAUGH: Yes. In fact, as I pointed out earlier, this is the City of Seaside's plan within its jurisdiction.

One thing that's very complicated for Seaside is this is the area -- in the City of Seaside the Army plans to maintain its enclave. It's going to retain some 1,500 housing units in the area. So we're, right now, trying to negotiate the best configuration of this enclave to enable Seaside's redevelopment plans to go forward the best way possible.

SENATOR AYALA: Does your group intend to go into some kind of redevelopment project in that area there?

MR. CAVANAUGH: Yes, sir.

SENATOR AYALA: Are you going to use some of this homeless, the 20 percent set-aside for low-income and moderate housing?

MR. CAVANAUGH: That will be up to the individual land use jurisdiction in their inclusionary housing ordinances.

SENATOR AYALA: If the project boundaries go beyond a city into the county or so forth, doesn't the group have to set aside 20 percent of the funds for -- if it's a redevelopment project -- for low-income housing and moderate housing?

MR. CAVANAUGH: Yes, sir, it does. But, in fact, at this point we have not constructed a redevelopment agency for Fort Ord. Within the City of Seaside, within their area they have declared this a survey area for redevelopment. The City of Marina has done the same thing with their area.

SENATOR AYALA: You referred to homeless housing at one point. Who would be eligible for those homes?

MR. CAVANAUGH: There are 27 different projects that deal with a wide range of homeless needs. Interim, Inc. deals with mentally handicapped adults in an attempt to train them for independent living. YMCA, the YWCA have shelters for battered women and shelters for families. There are shelters for single males and the food banks in Monterey County have a significant effort there. The Vietnam veterans also. Job training efforts. So we have right now 11 different major sponsors and 27 different projects at Fort Ord.

MAYOR McCLAIR: Mr. Chairman? If I may. Through the Chair, Joe, could you explain, or identify to the Senator who consists of the group, the planning group that you're talking about and the working relationships amongst that group?

MR. CAVANAUGH: I'll be glad to.

MAYOR McCLAIR: Thank you.

MR. CAVANAUGH: As General Moore pointed out, the Fort Ord Reuse Group was created to replace or to supplant or to be the successor agency to the Fort Ord Task Force. Now, the Fort Ord Task Force, which was a very broadly based organization created originally by Leon Panetta, now chaired by Senator Mello, has all of the mayors and it has our elected officials at the federal and state level as well as three military people who continue to be meet as a task force. The land use planning that took the task force strategy to put it on this map has been the responsibility of these entities -- the County of Monterey, a full member, the City of Marina, the City of Seaside, City of Sand City, City of Monterey, and the City of Del Rey Oaks. All of those are members of the Fort Ord Reuse Group.

We meet at three levels. Perhaps this is helpful to look at a model. We have been declared a national model in spite of our inability to reach a JPA. At this point we now have a working relationship involved called the Working Group who are the planning directors of the cities and the county, the public works directors of the cities and county, and that level of activity. We do this land use planning -- I'm the full-time coordinator working with them. We then have what's called a Managers Group that the Working Group reports to. The Managers Group is made up of the city managers of those five cities and the county CAO, Assistant CAO that meets as a Managers Group. So the Working Group reports to the Managers Group and the Managers Group reports to what we call the Policy Group. The Policy Group are the elected mayors and two members of the Board of Supervisors who represent the Fort Ord Reuse Group.

Part of the confusion that arises is that you've got a Fort Ord Task Force, now we have a FORG -- a Fort Ord Reuse Group. The next step is the JPA. That next step is what hasn't happened yet. The task force was very effective. I think the Fort Ord Reuse Group is very effective in pulling together a national model plan. The next step, the JPA, is the step that hasn't been taken.

SENATOR AYALA: That's where we are today.

MR. CAVANAUGH: Yes, sir. Does that answer your question, Mayor?

MAYOR McCLAIR: It certainly did. Thank you.

MR. CAVANAUGH: Then to conclude my presentation, I'd like to say that we have within this plan quality job creation as our number one objective. Coupling that with environmental preservation and using education as a driver to create these quality jobs, I think we have a national model plan that other organizations and institutions can borrow from.

In conclusion, I'd like to mention several areas where I feel that legislative actions on the state level would be helpful to us.

One, local matching funds for federal grants is very, very important to us. We've been very successful in receiving grants from the Office of Economic Adjustment, the Department of Commerce, and the EDA to do this type of planning. And believe me, the biology of trying to accommodate 20 endangered species that exist on Fort Ord, because the area in the interior of Fort Ord is like a picture of California's past -- it's never been developed. So in order to be able to preserve those and to move forward with development plans at the same time has been the result of being able to hire one of the top biologists in the state to come and work with us and show how that could be done. That type of planning has gone forward very well and has been supported by federal money with the local match supplied by state funds, both from Housing and

Community Development and also from the Department of Commerce. So continued support for local matching funds for federal grants is a key area where the state can be of help to us.

A coordinated state response is very, very important in that regard. For example, the Department of Housing and Community Development at the state needs to coordinate its defense related response with HUD, the federal agency. The same thing with the State Department of Commerce and the Department of Commerce, the Economic Development Administration.

SENATOR AYALA: I can't get this controversy that's surfaced here today. It's been around a long time, I'm sure. Is that the final thing you're going to do to become a JPA and have the force of law behind your project and so forth?

MR. CAVANAUGH: Yes, sir.

SENATOR AYALA: But that's the only thing left now is to resolve the controversy that's been discussed here?

MR. CAVANAUGH: That's correct. And go forward and actually implement this plan, which is going to be...

SENATOR AYALA: Well, having a former congressman in charge of the federal budget doesn't hurt you at all.

MR. CAVANAUGH: That's very true. It's very important to have people like Leon Panetta, and also, our Congressman Farr has been named to the House Armed Services Committee and he has been very, very effective since his election in July. Even though he's the most junior member of the House of Representatives, he's been very effective.

Very effective specifically in my next point, and that is state support for the CUS and the Cal State University, Monterey Bay campus and also the University of California at Santa Cruz. Congressman Farr has been able to get the seed money from the federal government to actually begin to renovate these buildings at Fort Ord to provide for that to university campus and also to do the planning for the University of California. We need continued state support because it's unlikely the federal government will continue to fully fund those efforts for a state university.

The next point that I wanted to make is that there are many regulatory agencies -- Cal-EPA and others -- that are involved in what's going to happen to us at Fort Ord. And I would recommend strongly that this committee take a look at how the President's "Five Point Plan", which was announced on July the 2nd, for economic recovery of local communities could somehow be adopted at the state level so that we would have this coordinated federal and state



response. The President's plan through the Pryor Amendment recently was adopted by the U.S. Congress. It's something that the state could parallel and could put the same type of effort together, and that would help us immeasurably at the local level.

SENATOR AYALA: I hope that you folks have put all of your ducks in a row and get going with this plan so we can be of assistance at the state and then on to the federal level as well. I wish you well.

MR. CAVANAUGH: Thank you.

The last point I wanted to make today is that we're going to have to form a public/private partnership to actually implement this plan. Beyond the JPA, which is being proposed for the governmental organizations to work together in a way that's unified and a way that provides a voting mechanism and a way of going forward for the implementation of a plan, we need to set up a financing vehicle particularly for infrastructure. The infrastructure to accomplish this plan is going to be very, very expensive. In order to put that together, we're going to have to rely not only on the public funds that are available to us and the support of organizations like Caltrans, we're also going to have to work with other federal, state and local agencies in a way that makes sense to our business community. The development of these quality jobs at Fort Ord is dependent, in large part, on the ability for us to work in a public/private partnership. That's our next challenge after the JPA, to put that together and make it work.

And with that, Senator, I'd like to conclude my remarks. I'd be glad to answer any questions.

SENATOR AYALA: Questions by members of the committee? We thank you for your presentation. Thank you, sir.

I'd like to call on Robert Infelise. He is the Monterey Peninsula Unified School District Interim Superintendent. He hasn't been approved yet.

MR. ROBERT INFELISE: Well, no. Interim means that you're not going to last very long.

My name is Robert Infelise and I want to thank you for letting me come here. Before Congressman Farr left I wish I would have had the opportunity to thank him for introducing AB 160, and Senator Mello for managing it and making it get to the Governor's desk, because as a result of that we will not have to downsize like we have this current year. Because one of the things I want to call your attention to, we're the only entity that's been affected by current downsizing. I want to thank Senator Johnston for voting for it in the Appropriations Committee and you on the Floor of the Senate because you, in

effect, have saved the school district. Because as we project next year's budget with the money that we realize with AB 160, it looks like we're not going to...

SENATOR AYALA: (Inaudible.)

MR. INFELISE: Well, he did a great job, from our point of view, in getting it.

SENATOR MELLO: He's a former marine, though...

MR. INFELISE: Well, thank you.

Supervisor Shipnuck called attention to the fact that Seaside and Marina have not provided services on the base. She failed to note that since day one the K-12 Monterey Peninsula Unified School District has been providing services since Fort Ord started.

I'm going to share with you our current inventory of property and the number of students that are currently being serviced there.

SENATOR AYALA: Did you provide the education services within the base, the schools that were there? They had schools in the base, didn't they?

MR. INFELISE: Well, yeah, but we'll show you with this inventory that we currently have six schools on the base that are currently operating.

Now, the result of downsizing, we closed one of them. One of them we're using for temporary storage facility and food service. But if you look at that, there are...

SENATOR AYALA: And these are all within the boundaries of the base.

MR. INFELISE: These are within the boundaries of the base.

SENATOR AYALA: These are for the students of military personnel.

MR. INFELISE: Of military, but we do bring students from off the base. We have, in the past, as a result of downsizing, in trying to utilize our facilities districtwide as efficiently as possible, we do bring in youngsters. And in projecting next year's operation, the one thing that we have found that the downsizing, in terms of population downsizing where we're losing population, is not as great as we anticipated it to be. We're going to have to open another school on base next year utilizing the youngsters that are going to be generated by the housing that is now being filled by other government-related families and civilian families that have been given an opportunity to rent some of the facilities. So we are impacted currently, and looking at over 400,000 square feet of property that we currently own on base; replacement estimates are anywhere from \$40-60 million. That's our current inventory, and the total number of students that are currently being serviced is over 2,800 and over 200 people work for us daily. So we're a player.

The thing that concerns me, when I became interim, I discovered that FORG was operating without any substantive involvement with the school system. Thanks, again, to Senator Mello, he offered us an opportunity to make a presentation in the meeting you had about a month ago.

SENATOR AYALA: You're involved in it now. Now you're involved.

MR. INFELISE: Well, we're not sure.

MAYOR McCLAIR: They're involved, Senator.

MR. INFELISE: Thanks to the mayors, we are now ex officio members if this agreement ever comes to pass.

SENATOR AYALA: No voting, then. You can't...

MR. INFELISE: No voting. But they did inject an opportunity for us to provide motions. We can make a motion and actually second them, according to the thing that was published. Can't vote but we can then get this organization to address our concerns.

One other thing, and this is an aside and I'll get to the point where I think you might make a contribution, but I think the school district, as it happened in other superintendences that I've served, that the school district should have an ex officio member not only on this organization but all of the planning agencies within the confines of Fort Ord. Either the Seaside planning agency, the Marina planning agency and the county planning agency. That's just an aside.

What can you do? Well, I hope I've established the fact that we are a current player. We're the only entity that is operating on the base now. Any land use decisions are going to affect us. We can project that. Bringing in the California State University, you're going to bring in a population that's going to put youngsters in our K-12 schools. So what you can do for us is to make darn sure that whenever legislation is proposed that the needs of the K-12 school district are addressed. You'll hear from us, of course, but I wouldn't want you to process legislation that doesn't specifically address itself to whatever the impact might be as a result of what you're considering. So that's our request.

SENATOR AYALA: Our schools are always the last to be considered, unfortunately. There are some cities that have grown tremendously without regard to what they're doing to the schools. You know, every time we build homes, subdivisions in my area -- I represent probably the fastest growing area in the state and maybe the country, in Riverside and San Bernardino counties -- but cities neglect to get in touch with school authorities to see what they can do to help schools. As a result, we've got places like Fontana that has kids

in triple sessions and double sessions as a result of the growth.

MR. INFELISE: On behalf of the cities, I don't know that anyone's ever approached them but we're not approaching them saying, hey, you've got to consider the effects of any land use...

SENATOR AYALA: Well, I'm concerned with police protection and fire protection and street maintenance.

MR. INFELISE: That's another issue we're currently faced with. Currently, there is no concurrent jurisdiction to process juveniles who have broken the law at Fort Ord. The only thing that occurs to a juvenile that has broken the law at Fort Ord, he's either driven off the base or if they're offspring of a military family, the military family is contacted to say, straighten this youngster out or you're off the base. We have no way of processing a juvenile that has broken the law at Fort Ord.

SENATOR AYALA: What do you mean "processing"? You expel the youngster...

MR. INFELISE: We might expel -- no, I mean, the local law enforcement agency does not have jurisdiction to...

MAYOR McCLAIR: It's federal. It's federal jurisdiction, Senator, and Mr. Infelise is correct. There is a real problem when it comes to dealing with juvenile problems on the base itself, especially in the state that it's in now.

SENATOR AYALA: Well, don't local authorities have the right to go to the base when there is a crime being committed?

MR. INFELISE: No. Not with a juvenile.

MAYOR McCLAIR: Only in terms of a coordinating effort when it happens on civilian base, things like that.

MR. INFELISE: The military police will process an adult who's violated the law.

SENATOR AYALA: If he's military.

MR. INFELISE: No. Even a civilian. But not a juvenile.

SENATOR AYALA: So on a base there's no jurisdiction looking after the young offenders at all? I mean, what happens to them?

MR. INFELISE: They're just turned loose. That's basically what's happened. We have met recently with Congressman Farr and the District Attorney and a probation officer. So between now and April, when the local jurisdictions take over, we're trying to get a concurrent jurisdiction ruling.

SENATOR AYALA: Write a letter on that, I'd like to take a look at that.

MR. INFELISE: I will do that, thank you.

My final plea is that whenever legislation before you is a result of -- that relates to this...

SENATOR AYALA: I agree with you wholeheartedly. You bet.

MR. INFELISE: Thank you very much.

SENATOR AYALA: Good luck on your permanent position.

MR. INFELISE: I'm retired.

SENATOR MELLO: I'd like to comment on his status as the Interim Superintendent and give just a little history of his background. He's a retired superintendent. He superintended at Carmel High School District and then where my home town is around Watsonville. They had a \$5 million deficit. So they bring in somebody that's used to handling insolvent...

SENATOR AYALA: Is that why they fired him? (Laughter.)

SENATOR MELLO: They brought him in as interim. So what happened, in six months he bailed them out and got them moving. Then they brought in a permanent one, then lo and behold, the Monterey Unified School District hired him because of his techniques in bailing out these insolvent entities. He's worked hard to include -- because they do have a problem, as you see there, at Fort Ord. That's why Congressman Farr has...

MR. INFELISE: Well, with the support of our legislators.

SENATOR MELLO: He'll be going to the next insolvent district in the state, wherever it is, maybe even out of state.

SENATOR AYALA: Next we'll have retired superintendents who retire but they're available to school districts who are looking for one in the interim, so I understand. I'm just kidding you.

MR. INFELISE: Well, thank you for the opportunity to talk to you.

SENATOR AYALA: Thank you very much.

You know, I'd like to adjourn but I'd like to call on some visitors we have from out of the area. They have a plane to catch. So I wonder if I could call on Councilmember Nell Soto from the City of Pomona and then in the afternoon we go back to the Fort Ord situation. There she is. Councilperson Soto. Go right ahead. City of Pomona, way down in Southern California.

COUNCILMEMBER NELL SOTO: Thank you very much, Senator. I'm very grateful for the opportunity to appear here at your invitation, and panel, thank you very much for the opportunity. I'm here today to talk about General Dynamics, a plant that is located in Pomona; and Pomona, thankfully, is in your district. So we hope we have a little lead there over everybody else.

General Dynamics is not a military base. It has been the site of manufacturing missiles for the Navy and other defense items.

SENATOR AYALA: How many people employed there?

COUNCILMEMBER SOTO: Well, by our estimation, there were close to 10,000

people and about another 5,000 were employed in the Cucamonga one. But about 10,000 people were employed there. So as you can tell...

SENATOR AYALA: Did you have a problem when the plant closed with all these people looking for...

COUNCILMEMBER SOTO: The closure of General Dynamics...

SENATOR AYALA: You want to take over the premises...

COUNCILMEMBER SOTO: Yes, and that's how you can help us. That's why we're here. You asked how you could help us.

SENATOR AYALA: How can we help?

COUNCILMEMBER SOTO: I'm going to do my little presentation so that you'll know what is being planned, and the rest of the staff has one more little presentation to give you some idea of what we're doing.

Its closure has had a devastating effect on the City of Pomona, as you well can imagine. The City of Pomona is in dire need of economic investment. Unemployment is high, it's around 13 percent. That's higher than the entire L.A. County. Poverty is increasing, leading to crime and greater reliance on the public dole. The tax base is shrinking, preventing government from providing for the greater number of needy families and making it impossible for us to invest in the economic infrastructure necessary to turn things around. Local businesses and industries are closing primarily as a result of the recession and the downturn of the defense industry. Pomona needs to attract the high-tech green industries which form the fastest growing segment of our economy. These are the industries which formerly defense dependent companies are converting to survive. These are the technologies and services which are needed in California, the U.S. and throughout the world to achieve economic growth without associated environmental degradation.

Pomona Missile Testing Center provides my city with a rare opportunity. With 166 acres and 1.5 million square feet of developed space in which the military used to prepare and test military equipment, we can transform the center to one of preservation, protection and economic growth.

The site is owned by the Navy, as you know. Pomona would like to have the site be designated as a jurisdiction to create an economic development center and a city recreational facility. Pomona would like to convert this facility into a hub of international trade and manufacturing feeding the southwest portion of our country. The site is in the west end of Pomona and is being located on the Corona Expressway. It has access to four other freeways -- the San Bernardino, Pomona, Orange and the 210 Foothill Freeway. It is an ideal location for advanced research as it is close to some of the region's major



research institutions -- Cal Poly, Pomona, South Coast Air Quality Management District and the Claremont College. It is perfectly situated for access for transportation to get by-products quickly to market. The Union Pacific rail line runs through the property and the Southern Pacific spur runs adjacent to the site. These lines feed the whole Pacific Southwest. Quick access to the freeways, which I just mentioned, and the Ontario Airport makes this possible.

Aside from the competitive advantage the site presents, Pomona has much to offer prospective tenants of this site in the way of incentives. Pomona is one of eleven cities that has been designated as a revitalization zone and may give incentive for investments into new businesses to locate or relocate. Southern California Edison will help businesses ensure they utilize technology which complies with the region's tough clean air regulations. We have entered preliminary discussions with the state's Pollution Control Financing Authority and they have demonstrated great interest in helping finance green businesses in our economic development center. We have a commitment from Rebuild L.A. to help set up financing and assist in business recruitment.

The General Dynamics site could be used as a major assembly plant for consumer items from bicycles to motors to pollution control devices. Given the acreage there is also an ample opportunity to provide incubators for high-tech and advanced transportation manufacturing and assembly. It should be noted that all statistical indicators and academic studies place the spike of the 21st century growth in the San Bernardino/Riverside County region. The General Dynamics site is large enough to act as a door of trade to the Port of Los Angeles in this area.

We have initiated an effort to attract such a business to this facility. International Fuel Cell is the world's only producer of fuel cells in commercial applications. Fuel cells are the power source of tomorrow. Through an electrochemical process they produce high-grade electricity more efficiently than any other conventional combustion technology. More importantly, they are virtually nonpolluting and the only by-products of the fuel cells are electricity, heat and water. They are the most important energy technology since the creation of the steam engine.

International Fuel Cell is currently based in Connecticut but it has expressed interest in moving closer to its primary market, Southern California. International Fuel Cell could engage in a unique venture with Southern California Gas Company to install the fuel cells throughout the region. Currently, IFC cells are operating here and five more will be up and running before the end of next year. Their performance has exceeded expectations.

Southern California Gas Company is in the process of putting together a package to sell IFC on the idea of locating the production facility in Southern California and plan on including an analysis of the General Dynamics facility in Pomona as one of the options IFC should consider.

As you can see, we are making a very concentrated effort in recruiting and manufacturing facilities and entities that can locate in Pomona. The interest of all these manufacturers hopefully would come about more if we were getting the jurisdiction, and that's why we're here, to see if you can help us. We're here to request that you seriously consider designating Pomona as a jurisdiction to plan for the future in how to handle General Dynamics, a plant that can easily be converted to peacetime manufacturing.

Thank you very much for the opportunity to be present.

SENATOR AYALA: Write me a letter on that, Nell, so I can follow up on your request.

COUNCILMEMBER SOTO: Oh, sure. I started writing to you and that's when you invited me. I'll have staff give you some more statistics and pass to the panel some information.

SENATOR AYALA: If you can instrument that information for us also in your letter so that we can, in the interest of time -- there are a number of people that are still concerned about the local problems...

COUNCILMEMBER SOTO: I can appreciate that. If you just let me then give a little bit of information.

SENATOR AYALA: Would you just recognize them, where they are?

COUNCILMEMBER SOTO: All right. Our other staff is Hector Apodaca who is our Redevelopment Director for the moment; and our City Administrator, who is also interim but he's been interim for about a year and a half, Lloyd Wood, and doing a very good job with the city.

What I'd like to say, if we're not going to be able to present the rest of our information, is that we're starting out this year with a \$4½ million deficit and with an (inaudible) redesign that I've just told you. We have plans to convert this into a training vocational center to the recreational center which now exists and we could very easily convert it for the use of our youth in Pomona which is turning to crime, as you well know, being in your district, and if we could use this plant to convert it to a facility which provides jobs, child care center, and all of the things that go with those, all of the amenities, we certainly hope that you consider very seriously our jurisdiction and designating this.

SENATOR AYALA: If you have the time you could come back in the afternoon

and maybe we could listen to the folks here. If not, how about a written report or letter to me so I can follow up on their observations?

COUNCILMEMBER SOTO: We have some statistics on paper and some reports that we'll be glad to pass on to you and come to any other hearing that you may have, as you indicated at the beginning when I spoke to you that you may have one in the Inland Valley. We'd also like to be invited to that one.

SENATOR AYALA: Thank you so much for appearing here.

COUNCILMEMBER SOTO: Thank you very much.

SENATOR AYALA: How brief will your presentation be? Very brief. Okay, because I also would like to acknowledge the presence of Phil Romero, Chief Deputy Director, Office of Planning and Research. I understand he has a written report to give us. Would you like to give us a report?

MR. PHILIP J. ROMERO: In the interest of your time, I have only about two or three minutes of comments and I'm happy to do, at your option, either speak orally...

SENATOR AYALA: Why don't you go ahead and if we have time later on we'll take up the other folks as well.

MR. ROMERO: Well, I'm perfectly happy to just submit it in writing, whatever your preference is, Senator.

SENATOR AYALA: Well, give us the information. I'd like to thank you for being here and certainly it will be helpful to our final discussion.

MR. ROMERO: Be happy to.

Very briefly, as you mentioned, I'm second in command of the Governor's Office of Planning and Research which has responsibility within the Administration for coordinating base closure and reuse efforts.

You all know that during the last round of the base closure here, the Governor aggressively defended California bases against closure but, of course, our track record wasn't that enviable. To put it simply, 7 out of 8 of the jobs lost in the nation in the third round of base closures are being lost in California over the next few years. But I have to give him credit. Early on he recognized, as the Senate did in the form of its Select Committee, that at some time we have to shift from fighting against closure to being concerned about conversion to civil and reuse. In fact, he approached me in March of this year while the fight was going on to be concerned about this.

The vehicle is something called the Governor's Base Reuse Task Force led by Mayor Susan Golding with representation from throughout the state, including Charles Chrietzberg from here in Monterey County. I am standing in for Ben Williams, the staff director of that Base Reuse Task Force because the task

force is meeting today in San Francisco to review and finalize some of its recommendations that will be published in January.

Let me just mention, very briefly, because they have a large menu of things they're considering, and they're thinking about it even as I speak -- I'm not in a position, obviously, to forecast what their final decisions will be -- but let me just take about one minute to mention some of the key themes that will come up.

The report, which will be published in January, will include a definitive analysis of the economic impact of closing bases throughout the state and what the stakes are in reuse. My personal objective in this effort is I would like, by the end of the decade, for there to be a net gain in jobs as a result in closing bases. In other words, these are not an economic millstone but, rather, an advantage statewide. Our ability to do that varies from base to base, of course.

The topics they will cover are jurisdictional issues, transfer procedures, human resources issues, cleanup, natural and cultural resource protection, financing, and integrating activities statewide, as was just discussed two witnesses ago. Again, I can't forecast what precisely they'll decide on but let me just give you a couple of the greatest hits, some things that they're considering.

In the environmental area, one is much better integrating CEQA and NEPA requirements so you need to produce one EIS and one set of documents instead of two separate sets of documents.

SENATOR AYALA: Are you familiar with my bill that says that if NEPA okays any conversion that CEQA need not get involved?

MR. ROMERO: I am not familiar with the bill. That's very much in the spirit. What is that bill number? Do you happen to know?

SENATOR AYALA: Do you think the Governor will support that bill?

MR. ROMERO: I'm not familiar enough with the substance, Senator, to be able to give you any formed opinion. I'm not trying to duck your question, I just don't know.

SENATOR AYALA: Could you write Senate Bill 354, because that's the bill I'm talking about, and that would allow people to move in and, you know, it's an expensive process and delaying the project...

MR. ROMERO: Can it delay a year or two years or longer.

SENATOR AYALA: So if NEPA comes in and okays the plan for whatever is needed, there's no need for CEQA to come in and start to think all over again that they can expand and delay. The only time they get in is when something

falls through the crack that the feds didn't catch. Then CEQA comes in and takes care of that.

MR. ROMERO: Well, I can't comment on the details.

SENATOR AYALA: Tell the Governor it's a good bill.

MR. ROMERO: That's exactly the objective, and the task force, I know, is looking in the same direction.

Another environmental area is the whole issue of air emissions credits. Right now, some of the Air Quality Management districts want to consider the baseline number of credits available to be zero, in essence, which means that any new reuse that is going to have emissions has to buy credits, just added to the already very substantial cost of relocating on the base.

In the transfers area we have a problem right now that the state and the federal government can basically enter in at the eleventh hour and swoop in and declare that they're interested in acquiring a base. What they're considering is setting some early deadlines so that we maintain the priorities that exist right now but governmental entities have to declare within the first few months and then thereafter they've lost their chance; so it's not this dark cloud looming over local efforts for years.

In the financing effort we're considering expansion of several bills, including Senator Johnston's bill to create the redevelopment area for Mather and Assemblyman Cannella's bill for Castle, other kinds of enterprise zone, redevelopment area kinds of financing techniques and, also, infrastructure banks. Because, you know, there's a chicken and egg problem here. The infrastructure is often antiquated, in very poor repair. You can't attract business until you've got decent infrastructures. You can't fund the infrastructure until you've got tax revenues and the state may need to jump-start.

And finally, it will probably recommend some ongoing base reuse council to overlap with or be a part of the Defense Conversion Council, the Barbara Lee bill that the Governor signed earlier this year.

As I said, the task force hasn't made final decisions on any of these. The report will be out in January. It will have very, very substantial state and legislative recommendations. The task force and the staff would be very happy to consult with this committee around the time the report's complete to overview in much more detail what their final decisions and recommendations are.

Again, I tried to keep this brief and I thank you for your time.

SENATOR AYALA: I also have another bill that I'd like you to be aware of.

I don't know the number offhand but it's a bill that says that if the city or county or wherever the jurisdiction is that the facility is located, they okay -- for instance, this plan -- that then they can move right in, start doing whatever is necessary to get the plan started. Nobody is exempted from any permit, but they've got five years to comply with all environmental requirements, you know, whether it's asbestos or water cleanup. They're not exempt but they can move right in and then five years they could...

MR. ROMERO: They could start the use and then five years to comply.

SENATOR AYALA: My view is that those military bases, if they're not a health risk, there's people now there today being in the military, so why not let them move in and do their thing, whatever projects it may be, and they have five or six years to comply. Nobody's exempted but move them in and start getting jobs. You know, we need jobs and if we wait until the environmental reports are in it will be ten years before we can do that. By that time the demand will not be that great. We need them now. We'll give it a number later on.

MR. ROMERO: I agree with you, Senator. There's no net increase in risk from that and given the enormous magnitude of the investment that's often needed in these bases, giving them extra time like five years makes a great deal of sense to me.

SENATOR AYALA: They're not exempted, and like some of my friends are arguing, that we've got to clean up first, the contaminated water and maybe the asbestos, but people are there today like at Fort Ord.

MR. ROMERO: Exactly. No net risk.

SENATOR AYALA: I mean, there's no health risk involved to that extent, so let them move in and clean it up because the bill on that is going to be an expensive proposition anyway, to clean up the problems that exist on military bases in terms of the environment. So let them move in and start doing what they have to do, hiring the people, and then they've got five or six years to comply with the request of the different licenses and permits they need.

MR. ROMERO: Well, for both these bills, again, without committing the Governor...

SENATOR AYALA: This applies to military conversion facilities only.

MR. ROMERO: Well, I can't speak for the Governor. This is very much in the spirit of what he's interested and I'd be surprised the task force doesn't recommend either those bills exactly or something very close. Again, thank you for your time.

SENATOR AYALA: Thank you very much.



Before we adjourn for lunch, I'd like to acknowledge the presence of the City Manager of the City of Monterey, Fred Meurer. I understand you'd like to invite us to lunch at your expense or something? (Laughter.)

MR. FRED MEURER: I'll invite you to lunch.

Just a few moments of your time, sir. We are members of the Fort Ord Reuse Group and are working cooperatively with the cities and the county in the reuse planning. But our city may have a little bit different perspective than the view that was articulated by Mayor McClair. So I want to get that on the table so you see that there is a range of perspectives as we look for the appropriate solution for Fort Ord reuse.

We have a planning area within Fort Ord but our direct land use jurisdiction is almost nonexistent. We have the potential for annexing a very small acreage into the City of Monterey. But we do have the Defense Language Institute that was on the list in '93 and we were able to get off the list, and the Naval Post Graduate School that are prime targets in Base Closure '95. So your legislation today will, or in the near future obviously will have impact on us as we deal with any potential closures in the Monterey area.

In terms of Fort Ord planning, we are truly at a crossroads. We have a land use plan that is still somewhat more ambitious than the local existing infrastructure, or even the infrastructure as conceived by the Army in their environmental documentation, could support. And we're working cooperatively to further draw down that land use plan so that it fits within environmental and infrastructure realities.

One of our focuses that our city hopes to achieve is a near-term, first-phase plan being identified that is do-able within the existing infrastructure of Fort Ord. And there are components of our reuse plan that can do that. The centerpiece of that would be the university. Probably the most significant thing the State of California can do to make this plan some day happen is to provide a funding stream for that university. Because without the economic engine of the university concept, all of these other things are generally pipe dreams and are not going to happen. The university is the keystone and we've got to keep that keystone on track with the funding and planning support.

In terms of the governing agency, we've got a plan. Now the issue is, who's going to implement the plan? Are we going to have, I'll call it, a regional district that is essentially a stand-alone city, a whole new city that essentially erases the City of Marina, the county, and the City of Seaside and redevelops Fort Ord as a single entity? Because it is a city. It was a city

of 35,000 people. It stood totally alone from everybody else. It would make some sense to redevelop it that way. Or are we going to have some other governing agency that approves our plan but then has the force of law to ensure that it is implemented?

I think our city would prefer and would recommend the latter. We think that, whether we're talking the reuse of DLI, the Post Graduate School or Fort Ord, it will be a regional issue with regional impacts and, therefore, the reuse plan should have a regional view. But the implementation of that should be left to the local jurisdictions. I hesitate to say a Coastal Commission model because of what those terms do in terms of striking fear into people's heart, but the concept of a regional developed plan that somehow, through state law, must be implemented by the cities, or at least have some oversight authority to ensure that the regional concept is then turned into specific realities within the jurisdictions of the various cities and county governments.

Also short term, the previous speakers have mentioned, there has got to be some jump-start funding source for infrastructure. The Army's infrastructure generally was not built to local codes and it is deteriorating rapidly. The Army does not have enough resources to maintain closed bases. They don't have enough resources to properly maintain open bases. So closed bases are going to get short shrift. The resources of Fort Ord are deteriorating today. We are going to need money from somewhere, and the City of Marina and Seaside don't have that kind of money nor does the county to deal with some of the near-term infrastructure issues. Probably the most significant one for us is going to be water and the road network. Again, there is a regional project to deal with our long-term water issue. That also must have continued state support at the appropriations level and authorization if we are going to see reuse of Fort Ord, because the available water is very limited and it is a very fragile supply in terms of saltwater intrusion.

Finally, the previous speaker also addressed another major issue that we have. We're going through a NEPA process right now. The federal government action is disposal of the property, not land use. Now, because Mr. Panetta wrote into law that they were going to look at some of our reuse ideas, and ultimately the President actually put it into his "Five Point Plan", we're going to see nuances of the land use plan evaluated in the EIS, but it's not going to be complete enough for the CEQA issues.

So I would recommend in the future that if -- we may not be successful as you suggest in having NEPA replace CEQA, but as a minimum we absolutely have to

insist that we do a joint document, that you're looking at a NEPA/CEQA document from day one so the local land use plans are being considered at exactly the same time and with the same thoroughness of review and public input that we would have normally in CEQA. Our problem now with NEPA is we are not getting the public review at the proper stages of the process. It's quite possible that the federal government will issue a record of decision that outlines mitigations that the public has never had an opportunity to see or evaluate. So I recommend highly that any future legislation really focus on trying to do it jointly.

Finally, we need incentives. It's always easier to compromise when there is a carrot for compromising as opposed to some other weapon. So as you're structuring the financing incentives and so on, I think you can forge local cooperation if it is in an incentive mode in terms of revenues and so on. For instance, the schools must be represented in the planning process. There are actually other agencies that must be represented that we ourselves are not doing a very good job, and that would be all of the special districts associated with utility systems. We have cities on our boards but not those.

So we request, at least from the City of Monterey perspective, that you develop some sort of mechanism to help us ensure that the regionally developed plan has a mechanism for implementation and that we, at the same time, ensure that it is the local governments that are responsible for that implementation with appropriate funding supplied.

SENATOR AYALA: I concur with you. I wouldn't care to see, for instance, the Coastal Commission oversee the...

MR. MEURER: Oh, absolutely not. I just used that concept of where you have a plan that is developed and then you, as a city, implement that plan.

SENATOR AYALA: It should be made out of elected officials who represent the people. The Coastal Commission or appointees, some may be elected but nobody elected them to that responsibility and they can override elected officials, and I'd hate to see the time when commissions override those that the public elected to represent them.

MR. MEURER: That's why I hesitated to use that term, but what I was trying to do is relate to the planning concept where you have a plan that is regionally developed and then the local governments. But the locals should be the ones that develop that local regional plan.

SENATOR AYALA: Well, thank you so much for your presentation. We appreciate that. I notice no offer of lunch came out of that speech, but we appreciate your testimony.

We will adjourn until 1:45 and then we'll get through the rest of our agenda this afternoon.

(LUNCH BREAK)

SENATOR AYALA: I'd like to reconvene the session for the afternoon portion of it. Other members will be forthcoming.

I'd like to call on Mr. William L. Bopf, the Executive Director of the Inland Valley Development Agency. If you have a paper, can you just summarize it?

MR. WILLIAM L. BOPF: You bet. I'll be merciful here.

SENATOR AYALA: Thank you. You may go right ahead.

MR. BOPF: Let me just say that we are a special redevelopment agency that was created by AB 419, and as such, we have redevelopment powers. However, we do not have the zoning jurisdiction within the member cities. We have to reach a consensus on our plan.

Our district is 15,000 acres. The base is 2,000 acres within that, and this gives us the ability to get a tax increment that comes from outside the district itself.

SENATOR AYALA: The area of the base is 2,000 acres.

MR. BOPF: The area of the base is 2,000 acres.

SENATOR AYALA: The rest of the area that's involved within that jurisdiction...

MR. BOPF: Would be another 13,000 as well. The members of our agency are the County of San Bernardino, the City of San Bernardino, the City of Colton and the City of Loma Linda. The nice feature of that is there are elected officials that are my bosses, three from the City of San Bernardino and two from each of the other member jurisdictions. So they make the policy decisions that are made.

SENATOR AYALA: Is this as the result of legislation by Assemblyman Baca that put...

MR. BOPF: No, this was Assemblyman Eaves back in 19...

SENATOR AYALA: Way back.

MR. BOPF: Yes.

SENATOR AYALA: And then you have a new mandate, don't you, to redo that?

MR. BOPF: We have a mandate only to include a citizens advisory committee as we proceed. So that's it, basically.

SENATOR AYALA: It didn't change the other at all.

MR. BOPF: Didn't change the other structure.

Just by way of information, we are accruing about \$4 million from this tax increment area right now, \$2 million of which goes to the school districts. So we're a very friendly agency. And we set aside about \$400,000 a year for low and moderate income housing, and we net about \$1.8 million which gives us the ability to start the infrastructure projects we have to do.

That's just a little bit about our agency. I think the unique features of it are we are a district which is bigger than the base itself. We receive tax increment funds. It has allowed us to spend close to \$11 million in the last four years. Four hundred and sixty thousand [\$460,000] of that has come from the federal government. So you can see the balance of that. Most of that has come from our tax increment base.

I would just summarize in this respect. The request about the CEQA process and the NEPA process should be combined wherever possible and we're supportive of that. Probably the best we'll be able to do is to make anything that happens under NEPA acceptable under the CEQA process so that we don't have a double challenge in litigation on those matters.

With respect to emission reduction credits and air quality matters, our base was initially told that we had zero entitlement. We fought our way through that and we do now have some entitlement. That is a problem, though. There are some people in the bureaucracy that look at these bases and say, they're closing, ah ha, we can reduce the air emissions. Obviously, that's counter to the policy of trying to economically redevelop those bases. My suggestion would be that the bases that are closed should be given the entitlement of the level of activity that they had prior to closure. That would seem to be a fair situation. I would suggest that same kind of yardstick ought to work with regard to utilities. If you have special districts -- we had 10,000 employees at Norton -- we should be entitled to the level of sewage outflow equal to 10,000 employees, likewise with water as well as you do with special districts. Those impacts were already there. There's a downturn now.

I would also request, or suggest that the bases automatically be given the emission credits that were there at the time of the announcement of closure as well.

One other thing that would be helpful would be to have a conversion enterprise zone that would be similar to an enterprise zone that would give us the utility reductions that are applicable in an enterprise zone and other features of an enterprise zone. If this was limited to military closures it may not have the competition impact of other enterprise zones. So I would

suggest that.

And basically, other than to say, we are very supportive of the efforts that you have put forth in helping to make the process streamlined. We appreciate that. We are getting some support from the state agencies on having one-stop review. Environmental concerns are a significant problem.

I've just summarized and left the bulk of my presentation for your review. Thank you.

SENATOR AYALA: Let me ask you a question. Didn't you have similar problems they're experiencing here today in that area when you first formulated that group?

MR. BOPF: Yes. Let me tell you, it wasn't all peaches and cream. We did have several lawsuits: one from the cities and one from an agency that -- and one of the cities that did, one from a school district and one from the cities. We resolved it with the schools by having the pass-through agreement.

SENATOR AYALA: You had the schools involved.

MR. BOPF: Yes, schools were involved. They now get a pass-through agreement. In fact, we have just leveraged \$15 million of their money on a bond issue. That's the cooperation that we've done. We've issued the bonds for them on their future tax increments. So they now have money in their coffers for capital improvement that they wouldn't have had without this process. The cities have all resolved their issues, and in the last two years we've been working as a common ground.

SENATOR AYALA: The commitment the state gave the area in terms of, what, \$1.5 million to take care of the, what?

MR. BOPF: Well, we had the Defense Finance and Accounting Proposal and we were to get \$1.5 million to rehabilitate some of the buildings that were out there that we'd use.

SENATOR AYALA: Where are you with the federal government's interest in locating a facility in that?

MR. BOPF: We're awaiting that. We hope to hear a decision in the first quarter of this next year.

SENATOR AYALA: Of next year. But you have no encouragement of any type at this time.

MR. BOPF: They've reduced the numbers from 4,000 employees to probably about 1,500 employees and they'll have more facilities, and we understand Mare Island is a candidate for that as well.

SENATOR AYALA: Are you the only location in California that the federal government is taking a look at for that purpose?

MR. BOPF: We were initially. We made the final round and we were the only one. Now...

SENATOR AYALA: In California?

MR. BOPF: Yeah, in California, and we're hoping to be a recipient of that.

SENATOR AYALA: Very good. Well, good luck to you.

MR. BOPF: Thank you.

SENATOR AYALA: We have Tony Carstens, Director of Policy Research and Planning Division, the County of Orange, from Santa Ana.

MR. TONY CARSTENS: Good afternoon, Mr. Chairman. I'm Tony Carstens, Director of Policy Research and Planning. I'm with the Orange County administrative office. I really appreciate this because I've got to run out and catch a plane.

The facility that we're faced with closing down in Orange County that's of concern to us is the El Toro Marine Corps Air Station which is a 4,738 acre military jet facility. Four thousand four hundred [4,400] of those acres are in the unincorporated county and about 300 acres are within the City of Irvine. The other affected city which adjoins the base is Lake Forest.

The message I want to bring to you today, sir, is that while there may be a number of areas in which the state may be able to help local communities achieve economic recovery from the negative effects of defense conversion and closure, I'm here to request that the state not help local government in the area of establishing a structure and process for determining the civilian land use of closing military bases. This is an issue that local government can solve and I've heard your comments earlier this morning along those same lines, sir.

The county and the affected cities, and I think primarily Irvine and Lake Forest, have spent a good deal of time over the last several months trying to resolve a reuse structure. I think we're very close to having that in place. We don't have an agreement yet but something's near and in the works.

So as I said, this is an issue that I believe can be resolved at the local level. I would just conclude my statement that the County of Orange is confident that a specific locally proposed reuse group will be formed within the next few months if we're allowed to address this issue ourselves. If the Legislature still wishes to pursue a specific fallback process in the event that local efforts fail, we ask to be included in that process.

You'll hear from the Mayor of Irvine later in the day and I hope you would at least back up my comments that the county is working diligently with their city to get on with the business of the base closure of Irvine. I'm sorry I



won't be able to be around for his testimony.

SENATOR AYALA: You're experiencing some problems there, too, with the cities and the El Toro base getting together on a common cause here.

MR. CARSTENS: That's correct. There is an issue about whether or not El Toro will be converted to a civilian airfield and about half the cities in the county would like to see it go in that direction.

SENATOR AYALA: How many cities are involved in that particular El Toro base?

MR. CARSTENS: Directly around abutting the base, there is primarily just Irvine and Lake Forest, but then there are four or five more cities down in the south county that feel they'd be affected by any flights from a commercial...

SENATOR AYALA: Tustin's not affected?

MR. CARSTENS: No, Tustin has their own base which is the Marine Corps Air Station in Tustin, which they're involved in closing down right now.

SENATOR AYALA: Senator Bergeson at first suggested we go down and visit with you folks and then later on she said, no, let's wait until they resolve some of their issues before we come down, and she hasn't asked me to go back. So I guess you haven't resolved your issues yet.

MR. CARSTENS: We haven't resolved them, but as I said, I think we're getting close and we'd like the opportunity to resolve them.

SENATOR AYALA: Thank you very much.

MR. CARSTENS: Thank you, and I've got to run.

SENATOR AYALA: You bet.

Okay, so the next individual is Mr. Chuck Center, California State Council of Laborers. Mr. Center.

MR. CHUCK CENTER: Thank you, Mr. Chairman, for the opportunity to speak in front of your subcommittee today.

I'm down here for two reasons. One, to represent the construction and maintenance laborers in California. We currently, statewide, have approximately 35 percent unemployment in the construction industry. That's the first and main reason why I'm down here. That's why we're really concerned about the Base Reuse Task Force and then getting the projects going. Second reason, we also represent the workers that do the contaminated site cleanups. We have approximately 70,000 members in California. We've trained a number of them to do site remediation. We've been doing it for a number of years. We continually retrain them because of, we believe, the current problems with the Superfund monies. When they declare a site a Superfund, it takes so long for the money to get down to the actual site cleanup our workers are never out on

the projects. We're targeting additional training in the next three years out of our international office in D.C. We're going to spend approximately \$39 million in the United States on training workers and assisting contractors in working in site remediation throughout the United States, making them more competitive, working with them in bonding and insurance liability while we're doing site remediation.

A number of the points I've heard in the testimony today we agree with. We have supported, up in Sacramento, permit streamlining, reg reforms, CEQA reform. We think there needs to be additional movements in those arenas. I think the discussion that you had in your bill of combining the NEPA with CEQA is an excellent idea and we'd like to assist you with that further.

An area that we're concerned with, we assist with legislation with financing and we supported the infrastructure bank bills. There were some late amendments in the last part of this session and they failed passage on the Senate Floor because of the amendments. I don't think anybody could support the bill after the amendments, but the bills will be back to assist with infrastructure financing for projects in California. We support that, but one thing we'd like to stress and we've put legislation in -- the Senators up here have supported the legislation -- is when we get funding for projects, state funding, we would like to see some consideration for California contractors and California workers to perform on those projects. There has been a number of bills that have been put in place through this system and they're generally vetoed. As we're aware of, we put one through again this year. Assemblyman Peace had a bill. Senator Roberti has a bill that's moving through the process. We'll support that again. But we think it's imperative that when we support legislation to finance, when we support legislation to permit streamlining and reg reform that there needs to be consideration for California contractors and California workers to perform the work. We can generally have contractors come in out of state to perform this and other areas. They bring in their workers, the tax revenue goes back to the state they come from and nobody benefits off those scenarios. So there will be legislation. We'd hope the local governments would support us on those issues next year as we continue to propose legislation in that arena.

I will brief. That's some points we're working on. We would really like to get our people back to work and we'd hope that the agencies that are having difficulties down here get together and resolve their problems to get the plan going. I think it benefits everybody when we get the bases back into reuse and get our people back to work.

Thank you.

SENATOR AYALA: We have another example of not only out of state but other nations getting involved.

MR. CENTER: That's correct.

SENATOR AYALA: Fontana, in my district, a Chinese firm purchased the steel mill and then they brought Chinese laborers to disassemble it. So we didn't think too much of that.

MR. CENTER: No, we didn't think too much of that, either.

SENATOR AYALA: We appreciate your testimony.

MR. CENTER: Thank you, Mr. Chairman.

SENATOR AYALA: Mr. Apodaca, I guess, left. Mr. Wood is not here either. He left, I guess, earlier.

Is Tony Gallegos, Acting Regional Director, Office of Economic Adjustment, Department of Defense, here? You have the podium, sir.

MR. TONY GALLEGOS: I have some notes that I want to use just to address the committee and I'll be short here as well.

As you've indicated, my name is Tony Gallegos. I am a Project Manager for some of the projects that we have in the State of California relative to our organization, which is the Office of Economic Adjustment. Our office has been in existence for over 30 years and it provides the support and supports the needs of communities in terms of their planning, specifically their planning to adjust to defense downsizing.

We do this in a number of ways. We think it's extremely important that communities get on with the reuse planning effort because it provides them with the opportunity to create jobs quickly. And the other thing is that it benefits the Department of Defense because we can avoid the paying of maintenance and protection costs that we incur at those bases.

The Fiscal Year 1994 Defense Authorization Act will make it easy for communities with closing bases to make the transition to a commercial economy. The primary result of the new legislation, the Pryor Amendment, which Congressman Farr referred to, will help empower local communities. It will allow the military to convey the property, the buildings and the equipment to the communities at less than fair market value and, when appropriate, for free, specifically to create jobs. The Department is working right now to try to develop the implementing guidance for that.

The important part is that the communities need to take prompt action to start their adjustment activities, and it really is, from our perspective, the first vital and important process that has to be undertaken. Economic

adjustment, as Congressman Farr referred to, is a community based, bottoms-up process tailored to local needs. There are three distinct sequential phases that we think have to be undertaken. That is, organization, planning and then, finally, implementation. I think what we're talking about here today is really the latter.

But let me give you a scenario of how we get involved. With your permission, we have the project manager in our organization, Mr. Pat O'Brien, with me today and he has far more experience in the kinds of discussions that you're having today and perhaps he would be a resource for you. I would encourage you to allow him to participate in the hearing today. He's stepped out for a little while but he should be right back.

SENATOR AYALA: Let me ask you a question. If an entity, the city or county has an installation within their jurisdiction and they would like to acquire that military installation which is going to be closed for their own zoning, planning, whatever, what kind of steps are necessary for the federal government to allow these communities to come on in and -- you know, in some cases the state, for instance, will give a city property for 100 years at a dollar a year for a park or something like that. Is there something like that at the federal level where you could allow a city or a county to retain a facility and the grounds and develop it? How do they obtain that land?

MR. GALLEGOS: Well, that's exactly one of the issue that, I guess, we're dealing with right now. Those policies are changing. The Pryor Amendment will have a different way of doing that.

In the past what has happened is the federal screening process was required to be undertaken, and although it will not change substantially under the new legislation, it will shorten the process. Essentially, other federal agencies, specifically the Department of Defense, has first pick at properties that are going to be accessed by the military. The fact that they're on the base closure list suggests that other Department of Defense organizations are not interested.

SENATOR AYALA: Well, what would be the first step?

MR. GALLEGOS: The first step would be the screening of the property.

SENATOR AYALA: For instance, the City of Pomona has General Dynamics and they're closing it up and they would like to acquire that land for their zoning and planning and building. Who would be the first person or agency they would have to go to?

MR. GALLEGOS: It would typically be our organization. We would come in and assist the community in developing a reuse plan.

SENATOR AYALA: Do we have a regional manager out in Southern Cal?

MR. GALLEGOS: Not in Southern California. We have recently relocated our western regional office from Seattle to Sacramento.

SENATOR AYALA: Seattle and Sacramento?

MR. GALLEGOS: From Seattle to Sacramento. We only have one regional office in our organization. That happens to be now located in Sacramento, California.

SENATOR AYALA: But if these people are interested they could get in touch with you?

MR. GALLEGOS: That's correct.

SENATOR AYALA: Can I have your card before you leave or whatever you have?

MR. GALLEGOS: I can give you my name and address. I just happened to run out of cards but I will leave that with you.

SENATOR AYALA: Thank you. Go ahead.

MR. GALLEGOS: Let me just say that the Office of Economic Adjustment is typically responsible with two elements of that three-phase process, the two being the organization and the other being the planning. The work typically then, from a federal perspective, is transitioned to the other federal agencies that have far more financial capacity to help local communities implement their projects or their plans.

But the most important element of the whole effort is the establishment or the identification of one, and I repeat, one, recognized organization. Typically, it takes the form of a task force or a steering council and it ultimately moves to some kind of a planning authority or an implementation authority or a development authority, whatever you want to call it. But it's some organization that can legally deal with the transfer of property.

Those organizations should also represent a cross-section of the community interests -- business, labor, environment, education, public services -- and typically, it represents about a dozen folks. It can be larger -- in some communities we've had as many as 40 people on those committees -- but typically, they would have a steering group, an executive committee that would make decisions and move that process along. And then they would form subcommittees that would deal with functional issues, environmental, human resources and the like.

The community organization that I just mentioned, their function is to oversee the development of the base reuse plan. This plan will address, in some detail, the alternative ways in which the facilities can be reused. Normally, it will depict five or six areas of the base for such uses as

industry, housing, education, open space and, if appropriate, air or airfield operations similar to what you have here at Fort Ord.

The plan is also vital from the standpoint that the military use that in order to develop their environmental impact statement, and that is important in order to convey land. The services essentially are required, under the new legislation, to use the community's reuse plan as their preferred alternative in the environmental impact statement.

As I indicated, the guidance for implementing the new Pryor Amendment is currently under development within the Department of Defense. I have no real idea of when we will be authoring that and putting it out for public comment or for the public to review.

Presently, we are working with 96 communities that are adjusting to the defense downsizing. Of these, 74 are dealing with major base closures from the '88, '91 and the '93 rounds of base closures. The majority of the 74 locations have established such organizations. Primarily, when you look at that, what they're looking at is essentially it's a planning effort and then it moves on to some other form of organization. Of these, 13 have completed and adopted base reuse plans. Eleven more will be finished by the end of the year. Although we've only closed six bases to date, the number that are reaching closure is accelerating. We'll have 11 more closing by the end of the fiscal year and another 11 will be closing in Fiscal Year '94.

Essentially, the effort that we try to undertake with the community is to move to the implementation, the job creation portion. And at this point the property disposal programs that Department of Defense currently has is the guideline that we use for that.

If you'd like, I can give you a copy of what that property disposal process is, although I must caution you that it is changing.

The main task is to develop a plan that is executable, something that can actually deliver the kinds of job creating activities that the community is interested in undertaking.

As I indicated earlier, we also thought it important -- because we had our regional office located up in Seattle. We have relocated that office to Sacramento and for the very reasons that we're here today is the impact on the California economy. That office will no longer just be a regional office in the sense that it will only have a project manager and perhaps some administrative support. That office will act and process all the grant applications for the western region. So it will become a full-fledged organization that is more responsive to the needs of west coast communities.

With that, what I'd like to do is I'd like to have Mr. Pat O'Brien -- he just came in -- who can give you a far more in-depth background on some of the actions that we've undertaken over the last 30 years. He's been involved in the more recent activities and I think has a lot to offer and specifically as it relates to the very issue you're talking about, and that's joint powers authority.

SENATOR AYALA: Can I ask you, how many offices do you have in California?

MR. GALLEGOS: We only have one.

SENATOR AYALA: And how many in Washington?

MR. GALLEGOS: We only have one in Washington. Now, we have a much larger staff in Washington.

SENATOR MELLO: Let me ask, are you in the same area Bill Lewis and EDA is located?

MR. GALLEGOS: In fact, we're in the same building itself. We're on the 15th floor of that building.

SENATOR MELLO: I wrote a letter to Ron Brown, the Secretary of Commerce, urging that they move the office from Seattle -- part of it was in Denver, the EDA -- to come to Sacramento because that's where they can help expedite all of the transition in California. I'm happy to hear that not only your office but EDA is there as well as your Department of Defense office which helps coordinate the entire transition process.

Thank you.

MR. PAT O'BRIEN: My name is Pat O'Brien. I am based in Arlington, Virginia with the Office of Economic Adjustment. Among my management responsibilities I am the Project Manager for the Fort Ord Economic Adjustment Program as well as recently oversaw the designation of our state planning grant recipients.

What I'd like to do today is to focus on what I think are two of the more pertinent issues for you to concentrate on; first, organizations and the key organizational structure has for the whole adjustment process, from planning to implementation, and specifically address for you the state role in that process. Because we draw upon a significant number of resources and we tend to reflect the general consensus across those resources to what is the most effective way of approaching local adjustment activities.

First off, local organizations. The most that we can say on this is that it needs to be community based and it's very simplistic. Across the history that we've had since 1961 when the office was created, the Defense Economic Adjustment Program's focuses its entire efforts on community based systems.



And the resources that a state, a federal or a regional entity would bring to that process are brought there as a supplement to a local consensus. Your opening remarks, I think, across the panel this morning reinforced that notion and we wanted to give you a nod that we believe very strongly that that needs to be the centerpiece to any construct we develop at the state level.

What are some of the characteristics of a local organization that we have found to be key to their success? First, they need to be broad based. They need to include both public and private sector representation. The private sector, in our opinion, has much to offer here and is also reflected in the President's "Five Point" program where job creation has become priority. You only can reflect accurately investment and job creation activity by drawing on your local investment and business development people. Furthermore, you want to try to focus on the primary impact area as the lead players in this. What does that mean? I'd like to maybe just exemplify that by looking at Fort Ord.

When we came out here the task force basically consisted of 17 or 18 jurisdictions plus some additional folks, and what we were concerned with was from a land reuse planning exercise. You wanted to bring to the forefront certainly those folks that would either be directly or immediately indirectly impacted by the disposal and reuse of that facility. At a minimum, what that meant was who would have land use jurisdiction today if the property were to be disposed of? And we drew the line to include the County of Monterey, Seaside and Marina, Del Rey Oaks, Sand City, and the City of Monterey; either based on their existing spheres of influence or perceived or anticipated designations of sphere of influences. Furthermore, you want to try to keep the number of people on that organization down to a manageable number. They're involved with consensus building. If you have a lot of interest locally there's a way to incorporate them through a very effective subcommittee structure.

The primary key to the success of any reuse organization is a very strong commitment locally of both financial and political resources. And what does that mean? You can't have staff out there working on a reuse concept if that staff is not empowered by their political leadership. That is the first key.

The second key is the financial commitment. Financial commitment in the sense that they need to start investing in what the future is going to hold for them at that base, and it's only through that investment that they start recognizing the discipline and the severity of the task ahead of them. We aren't asking them to shoulder the entire responsibility here but we are looking for that type of commitment.

What does that mean? Usually these organizations have bylaws established

and oftentimes they have articles of incorporation even as a reuse planning body. What do they primarily work toward? A reuse plan that can be implemented. A lot of times the organization that plans for the reuse is not involved in the actual reuse. Sometimes we've got the communities, through a reuse organization, developing an implementation structure which is then implemented with the passage of the reuse plan. The capacity to receive, manage and dispose of property is key to any organization that is charged with implementation. Furthermore, they are to coordinate their actions on that property to reflect the broad-base consensus developed through that planning process. They are to have a capacity to receive and disperse resources, federal resources, state resources, and engage with the private sector on resources as well. They want to be able to link on-base activity with off-base activity. Economic development is not going to cease where the gates are currently placed at Fort Ord. They're going to transcend those boundaries and you're going to want to ensure that you've linked up to the ongoing economic activity around the installation as well as that which is going to take place on the new aspect. Furthermore, you're going to want to operate with complete financial and political support from the surrounding and cognizant jurisdictions. It's important that whatever jurisdiction comes into play here, be it the existing jurisdictions or some type of new facility or jurisdiction, that they operate with the consensus of the local people. Nobody wants to have somebody coming in to their back yard and telling them what to do unless they want that in their back yard.

Lastly, you're going to want to have a multi-disciplined staff capable of providing technical support to the reusers and state, local and regional officials. So they're not just there to manage the property. They're also there to \_\_\_\_\_ (inaudible) \_\_\_\_\_ for any private investment that comes down in that facility. They're there to resolve issues generally as a landlord might.

What's key here also is these factors that I've outlined for successful implementation organization will probably have to be represented by any organization seeking an economic development conveyance under the new Defense Authorization Act. If a body is incapable of demonstrating these capacities, they're probably going to have a very difficult time obtaining property through the job creation provisions of the 1994 Authorization Act.

Now let me transition a little bit into state roles. Our office works with a lot of different groups throughout the country, and we recently completed a project with the National Governors Association where we sought out what can state officials do to facilitate local economic development, local defense

diversification and conversion, and basically be there as a strong support mechanism for activities that will be taking place. And I'd like to outline for you some of the major findings of that report.

First off, there was consensus that there needs to be pro-active outreach campaigns to communities, workers and industries. Those are the three primary impact groups that we see across the country whenever there is a base closure. The community certainly is impacted. You have workers that are being dislocated and you have businesses that are either going to shut their doors or experience a significant draw down to where they're going to need some technical assistance. Basically, they need the technical advice that a state can bring to them -- what are the resources that are available at that state level and how can those resources be made of assistance to them?

That figures in to the second point which was, they need to be a clearinghouse of defense conversion, base conversion information for everybody to draw upon.

Thirdly, they need to facilitate access to necessary federal and state resources and technical assistance. Right now, the Office of Economic Adjustment recently approved a \$200,000 grant to your state to engage in a state defense diversification conversion program. It is tied into your State Planning Department and is also tied into your State Department of Commerce and Trade. Tony Gallegos is working directly with them on that, but through that effort we hope to see a much more active state role to assist communities that are experiencing both base closures and industry adjustments. And I would strongly encourage you to seek out some advice from that group as well as our other state grantees. We have 14 states across the nation that have received grants to engage in this activity. There are some very innovative approaches being considered and you're encouraged to seek out their input and consider additions to what many of you are developing here locally.

Lastly, and this is already occurring with your State Planning Department, you want to try to link the similarly impacted communities to address adjustment issues. Fort Ord is not going it alone in the state. You have a number of base closures and getting those folks together on a routine basis can be very constructive. They share notes, they learn what the shortcuts are, they learn how to get around obstacles that maybe up to that point they had not had the general idea on how to accomplish.

What I have done is, rather than dwelling on the presentations you've had here today, we have had recent experiences with at least five actions by states where states have actively involved themselves with base closures. Recent

examples would include Loring Air Force Base where the Loring Development Authority was created by the State of Maine at the invite of five local communities. Wurtsmith Air Force Base. We're up to half the property existing on reverter clauses, and the state created a basic conversion authority basically to act as a holding agent for the property, holding the property until the local community could take control of it. Pease Air Force Base where the Pease Development Authority was created after the local communities were unable to reach consensus on what to do. Additionally at Pease, the PDA issued over \$200 million in bond obligations and they've expended most of that money to date and it probably will be some time yet before they start seeing a return on that investment. The State of Rhode Island did not wait for a community invite to get involved on behalf of their communities at Quonset Point. They created a Port Authority. It's been a very successful exercise. However, recently the Port Authority has come out and said maybe we moved too fast on this and we need to take a couple steps back and bring the community back out to the table and incorporate them more in what we're doing here. At Fort Devens, the State of Massachusetts is nearing final action on the creation of an entity capable of receiving, managing and implementing reuse. That's primarily to facilitate the Massachusetts' land bank capability to lend resources to provide the necessary financing and implement reuse.

In summary, what we have found is that the community based model is very effective and that we the federal government, in concert with state and other regional resources, are best placed at being supplemental to that local effort. If they get off track we're there to help them get back on track, but for the most part there are enough capacities locally, particularly in this area, where they can go out and do a lot of the work on their own.

We also have recognized that whatever responses develop, that response must remain flexible to meet the changing dynamic that base closures usually pose for a community. We don't want to preclude actions in the future that states today are not readily apparent to the community.

Thirdly, at a minimum, the local organization must prioritize those jurisdictions with direct or immediately adjacent land use control.

And lastly, the reuse organization usually evolves into an implementation body and with the exception of the Rhode Island model, which I outlined for you, for the most part the state has taken actions on behalf of communities at the communities' invite. I would encourage you to maintain that component in whatever solution you come up with for base closures today.

I'd like to add a couple of items specifically to Fort Ord since I have

somewhat of a personal investment in that project. The Office of Economic Adjustment has provided the Fort Ord Reuse Group and/or that task force, the Fort Ord Task Force with \$1.4 million -- \$200,000 the first operating year and \$1.2 million the second operating year. What we believe to be absent in the product to date, which has been reflected I believe by at least two of your past speakers, is an implementation plan, a vehicle by which they've taken that reuse plan and said this is how we're going to go out and implement it. We have provided the community as part of that \$1.2 million grant -- it's up to \$500,000 -- to go out and develop such a construct. Basically, a comparative analysis of what are the optimal governance structures.

This morning it was somewhat disturbing to hear different presenters discussing the numbers that they have developed, and I likened it, quite frankly, to the very destructive relationship that evolved between the Army and the community out here where there was distrust. That distrust was reinforced when it became apparent that the service may have been producing some documentation without sharing that with everybody else so everybody could be operating with a full menu of information on this. In the case of Fort Ord, the intention here is to utilize this operational planning money to bring the different numbers to the table, bring the discussion as to where does the comparative advantage lie for the state, for the federal government and, most importantly, for the community in responding to the base closure. It would be our hope that any Fort Ord-specific legislation does not preclude the outcome of that analysis, and furthermore, and more hopefully, that any action would await the outcome of that analysis which we feel might give you a much stronger position to suggest either a state response, a state/local jurisdictional response or a local jurisdictional response.

That would conclude my comments. What I would also like to do, for your record, is present you with some material that we have developed as technical resources for communities engaging in this exercise. It is our very strong belief that the more widely disseminated this information is, the better policies will be developed because that policy will be based on what truly is occurring locally with those organizations. So for the record, I'd like to submit this to you.

SENATOR AYALA: Thank you very much.

SENATOR MELLO: Mr. Chairman, may I ask a couple of questions?

SENATOR AYALA: Senator Mello has a question.

SENATOR MELLO: Thank you very much for your remarks. I was wondering whether someone higher up was watching to see what's happening here.

My first question is, have you reviewed the proposed joint powers authority document?

MR. O'BRIEN: Yes.

SENATOR MELLO: You have. Okay. So now, in your opinion, do you think it can carry out and implement the reuse plan that was displayed here this morning about to be approved in its final form?

MR. O'BRIEN: From our perspective of the joint powers agreement, we weren't opposed to the construct they were suggesting because we never assumed that was going to be the end organization. From our perspective, that was an evolutionary step for them to be taking. I think we became overly sensitized to the many jurisdictional issues that exist here. And when we started out with a task force with very little direct organizational response and went to the FORG, there was a mandate issued essentially for FORG to come up with what are you going to transition into to implement this program? The JPA structure that they came up with, from our perspective -- you mentioned in your opening remarks "teeth" -- lacked teeth to really do something out there. I can't say that we would disagree with that assessment of it. However, we viewed it as a very constructive tool and one that might suffice for their current needs.

What's very important here is that the FY '94 Authorization Act is mandating any communities that have an interest in obtaining property for job creation purposes to have an organization capable of receiving property, and there's only going to be one recognized per base closure site and it's going to be incumbent on the community here to develop those capacities through whatever mechanism. We felt that JPA was an incremental step. We didn't consider it to be a solution to all the problems out here and we, quite frankly, would have anticipated that body taking the money we had provided the community and performing this additional analysis to, in fact, give it the teeth you're looking for. It certainly does not have the teeth today to meet some of the obligations that might be looked to through the community.

SENATOR MELLO: A second question. Having reviewed the JPA plan, do you feel it has the financial ability to fund infrastructure and other projects because of the fact it can terminate with the majority vote of the members present?

MR. O'BRIEN: Rather than answering that question, I think a more fundamental question is, what is the bill? I don't think an accurate picture of what the costs are to implement that reuse plan has been completed.

SENATOR MELLO: Well, let's say it costs a dollar.

MR. O'BRIEN: Well, if it costs a dollar -- well, I guess what I'm saying



is generally what we hope to find, which we haven't seen, is a blueprint for, these are the costs that are associated with this reuse plan, this is how we go out and address those costs. And that is absent in the current construct.

SENATOR MELLO: You see, my statement, you heard me state this morning the fact that it can terminate with a majority vote, and the funding of infrastructure is very important here to make sure the roads and all the other utilities are put in properly to help develop the entire plan. Do you know of any bonding companies that would finance and lend money for revenue bonds that could terminate at any time and not have a life long enough to repay those bonds?

MR. O'BRIEN: No, I agree with that characterization of it. What we've been trying very delicately to avoid is any -- we don't want to preclude any solution to Fort Ord at this time, and we have heard some very strong, some on-the-base and very legitimate arguments that individual jurisdictions under some type of an overall agreement might be able to facilitate this activity onto themselves. We are not in a position today to say that they have those capacities or that they don't. Our intention was to take that operational planning money, gauge what those capacities are and say, do they need a JPA with full bonding authority or do they need a JPA solely for purposes of coordination and oversight and enabling the individual jurisdictions to move forward with their respective zoning?

SENATOR MELLO: You did say earlier that it was in your criteria to make sure that a conversion plan did produce jobs and was successful in achieving the goals set forth in the conversion.

MR. O'BRIEN: Right.

SENATOR MELLO: Wouldn't that take adequate financing, this infrastructure and other...

MR. O'BRIEN: No, it would and that's why I'm saying that with the product as it currently exists we feel that it is not a completed product. We don't know what it's going to take to basically take the mandate that Joe Cavanaugh had up there and color it the colors that he had up there.

SENATOR MELLO: Okay, thank you.

SENATOR AYALA: Thank you very much.

MR. O'BRIEN: I might add, we do work with most of the communities you've had here today, along with others, and if you have further questions, if you would submit them to our office through Tony we'd be more than willing to respond to those.

Thank you.



SENATOR AYALA: Okay, we have Mike Ward, the Mayor of the City of Irvine. I understand you have also a paper to submit for the Mayor of Anaheim, Tom Daly.

MAYOR MICHAEL WARD: Thank you. I don't have Mr. Daly's paper. I have my comments.

SENATOR AYALA: Okay. We'll just take care of yours then.

MAYOR WARD: All right. Since he and I disagree, that's probably why I didn't bring his.

It's very interesting, we're only in the very initial stages of our base closure at El Toro and we're hassling over, right now, on how to form a group to do the reuse planning, and I can see that our problems have only just begun.

I appreciate this opportunity to speak to you today on this matter. Our community is faced with the closure of El Toro Marine Corps Air Station which has brought us the challenge of creating a reuse authority. I'd like to tell you a little about our experience with this issue and provide some recommendations for your consideration.

El Toro Marine Corps Air Station is located in the southern half of Orange County. Three hundred acres are within the boundaries of the City of Irvine, with the rest in our sphere of influence, and because of that the County of Orange is claiming land use authority. El Toro is also adjacent to the City of Lake Forest.

SENATOR AYALA: Is anyone in opposition to that approach of yours, to take over the...

MAYOR WARD: No.

SENATOR AYALA: It's moving along pretty well.

MAYOR WARD: Yes. In fact, because I know we're on time constraints, what I'd really like to do is to leave this with you and just address the legislation that you are proposing, if that's fine.

The first part of the written statement is basically a brief history of El Toro and Orange County and of our fight with the county supervisors. I do have to agree that we are continuing to negotiate with the supervisors and I think we will arrive at a solution someday. However, I thought we had a solution a month ago and that blew up in our faces.

As you consider the potential legislation, though, I do have some thoughts to offer. First, it's essential that the process you establish be fair. That is often obvious. It's even a cliché but it is true. It is important for all stakeholders to be given a fair stake. This means that the outcome must be uncertain. Ultimately, that will result in a better authority, a better plan

and uses that benefit all of the community. Orange County's current situation is an unfortunate example of what happens when personal agendas and predetermined outcomes guide the process to determine the makeup of the authority.

Next, it's essential that the reuse authority be responsive to local needs. Major land use planning decisions will be made that will affect the quality of life for millions of people for decades. Therefore, I recommend that local communities have the authority to create their own authority. I doubt that one authority structure can be created that will be the best choice for all regions under all circumstances. If local elected officials devise a structure that works better for them, they should be allowed to do so. It will provide a better product in the end.

Having said that, I am not suggesting that haggling about the composition of a reuse authority should be allowed to go on forever. In fact, I think a state mandated authority should be put in place if local officials cannot agree within a reasonable period of time, and I suggest six to nine months is reasonable. I also believe that any authority, either through membership or voting powers or both, should be weighted towards the city in whose boundary or sphere of influence the base is located. This is a city that will have to live with the impacts of the future uses and will have to finance improvements to serve those uses and it's only right that their views take precedence.

I think experience around the country has shown that it is essential for revenues for the authority be generated immediately. The kind of planning that is necessary is extremely expensive and grants from the federal government are inadequate. In this time of declining revenues all over California it is unreasonable to expect local agencies to make up the difference. The ability to establish a redevelopment agency and to issue bonds early in the process is critical to the success of a reuse authority, and I hope you will include provisions for that in any legislation that is drafted.

It is also important that adequate portions of revenue from taxes be set aside for the authority, and I support inclusion of such provision in any legislation. I also recommend that the remainder of those taxes be allocated to those local government agencies -- the county, cities, the school districts, etc. -- that will have to provide services to the areas involved. A city or other agency that is not directly impacted by the reuse or does not provide infrastructure or services to it should not receive revenues.

As Mayor of Irvine I am concerned that cities miles from El Toro, sheltered by distance from unpleasant impacts and contributing nothing to the development

of the infrastructure or support services, will determine what uses are sited on that land and will receive revenues from that land. The cities like Irvine and Lake Forest will bear all the negative impacts and will receive less than satisfactory distribution of revenues.

I'm going to skip over a part of it right here because I speak about Anaheim, who is scheduled to give you written testimony today. They are 15 miles away from the base.

My position is that all that's really needed in a reuse authority are the jurisdictions that are directly involved, in the case of El Toro, the County of Orange, the City of Irvine and the City of Lake Forest. That structure is working very successfully in Tustin. Their 17-member advisory council is comprised solely of representatives from directly impacted agencies -- the cities of Tustin, Irvine, and Santa Ana and the County of Orange as well as the business community. This seems reasonable to me. I will never agree to an authority controlled by cities not directly impacted by the reuse or one that allows those cities to share in the revenues. That is my experience with this issue and it is the basis for my recommendations to you today.

To summarize, you need to create a process that is fair, allow local agencies the opportunity to create their own reuse authority within a reasonable period of time, provide these authorities with the ability to establish redevelopment agencies and issue bonds. Membership and voting power should be weighted towards the city in whose boundaries or sphere of influence the base is located. And finally, revenues should be distributed to the authority and directly impacted agencies only.

Thank you.

SENATOR AYALA: The El Toro base is within the City of Anaheim?

MAYOR WARD: No. Anaheim is 15 miles away from El Toro. However, they have been pushing, through their supervisor on the board of supervisors, to have a say in the reuse of El Toro, which we find quite ironic because, right now, Anaheim is going through a redevelopment with Disneyland, which is probably the largest private development process in -- I know in the history of Orange County, probably in California. It's a \$3 billion process and we're using state, federal and county funds but Irvine had no say in Disneyland.

SENATOR AYALA: Weren't all the cities involved to create a redevelopment district? Did I hear you say that about the base itself?

MAYOR WARD: Well, we tried to. We tried to sit down with the board of supervisors and develop a JPA or an authority, whatever you wish to call it, that would consist of these cities to the south of the base -- Irvine, Lake

Forest, the County of Orange -- and some cities to the north of the base. We thought we had an agreement because two supervisors were the supervisors that represent South Orange County.

SENATOR AYALA: You don't have an agreement?

MAYOR WARD: No, the other three didn't like it. That's our biggest problem. We have three supervisors who have no constituents within 20 miles.

SENATOR AYALA: But if all the entities involved agree on a redevelopment district, there's nothing to stop you from doing that.

MAYOR WARD: Well, we're not ready to form a redevelopment agency because we haven't come up with a plan yet. We can't agree on the group to come up with a plan. We haven't gotten out of the starting blocks. And our base just closed in September of this year, I mean officially. So we're surely new but we've been working at this for six months now and political egos and private agendas have reared their ugly heads.

SENATOR AYALA: Thank you, sir. Thank you for your testimony.

MAYOR WARD: Thank you.

SENATOR AYALA: Mark Leyes, Chairman, Orange County Regional Airport. Not here.

Walt Graham, City Manager, City of Vallejo.

MR. WALT GRAHAM: Thank you very much, Mr. Chairman, and Members. You have my testimony. I will make it just as brief as possible for you. There are only three points that Vallejo wants to make.

First, we are a city that has an organization on the island already. It's a full base, 5,600 employees. We would like you to consider setting up state legislation that will permit us to move our federal employees into city and county positions and provide for the reciprocity of the pension plan so that we can have affordability for those federal employees who are laid off of the base program to be brought into the State PERS system and make the proper payments. We think that would go a long ways toward assuring those federal employees that they're going to have some continuation in public service if they choose.

SENATOR AYALA: I think legislatively you need state or federal, or both.

MR. GRAHAM: We need both. We are speaking to you first and we've already spoken to Congressman Miller for the second issue.

Another point to be made, sir, is we would like to have suggestion, direction or legislation, whichever works, to ask you to encourage the State Lands Commission to tell us what it is that they think they own on Mare Island. That particular problem is going to be addressed on Treasure Island, probably on Alameda Naval Station and a number of other areas. We don't think it makes

good public policy to spend your money, and we do thank the state for the contributions that you're making and also for the federal government as represented by Mr. Gallegos a few moments ago. It would be better if the state would tell us what they believe is their property so that we don't set up industrial programs or residential programs sitting on land that...

SENATOR AYALA: (Inaudible.)

MR. GRAHAM: Yes, sir.

And the final point is simply to ask you, through your various departments at the state, to ask them to review very carefully the projects that they have either a) on hold, or b) under design that is not completed yet and place those projects off of the shelf and into construction.

The hour is late for your folks, I know. You've been very courteous. You've got my testimony but those are the three points -- Land Commission, reciprocity for pensions, and look at the projects in the area and move them off the shelf and into construction to benefit our effort to redevelop our project.

Thank you very much.

SENATOR AYALA: Thank you, Mr. Graham.

SENATOR MELLO: Let me ask a couple of questions. The State Lands Commission is a state body. The members are the State Controller, the Lieutenant Governor, and Director of Finance. Have you approached them to try and get a response from them?

MR. GRAHAM: Yes, sir, we have, and we have, obviously, our own State Senator, Senator Mike Thompson, and they're addressing that issue. But it's very important. I'm sure the Lands Commission has no more staff than anybody else these days and it takes time, but any encouragement would be very, very helpful.

SENATOR MELLO: Well, they're interested, I think, in the tidelands area. Is that...?

MR. GRAHAM: Yes, sir. The tidelands, and in the case of Mare Island there's one little hill where someone discovered it 100, 200 years ago and everything else has been filled in. That's why Treasure Island in the San Francisco area.

SENATOR MELLO: Let me ask you a question about reciprocity. People who serve in the military -- I'm differentiating military from federal workers in a shipyard like Mare Island -- they have the right to buy into their PERS plan, I think up to -- I think it's four years of military service can be transferred into your regular PERS plan. The question here is, are these in that same

category, these employees, or are they just not -- they're not military per se.

MR. GRAHAM: That's correct. They are not military. There are 5,600 civilian employees. For example, working for the fire department with maybe eight or ten years. Not enough to have vesting, not enough to have money that can be set aside.

SENATOR MELLO: If they went to work for the city or county, then they'd be under PERS, no doubt.

MR. GRAHAM: Yes, sir.

SENATOR MELLO: But I didn't think the law allows federal employees to transfer into the PERS program unless they served in the military.

MR. GRAHAM: And we believe you're correct, yes, sir.

SENATOR MELLO: It would represent a tremendous cost to go ahead and pick up that additional retirement, the benefit; but secondly, I don't know whether those cities there have the ability to hire 5,600 new personnel.

MR. GRAHAM: Clearly, we would not be able to take all of them, but the concept is important for those employees, civilian employees that would like to transfer and we would like to transfer them rather than having them go to Nebraska to take a job that the federal government asks because they have spouses, they have children in high school, they have a hundred reasons to stay in the area. We believe that if it is cost neutral, which is to say the federal government will not lose any money, the state government will not lose any money or the PERS system, then we ought to be able to provide the mechanism that will allow those federal employees that wish to and those cities that want to to bring those people on board.

SENATOR MELLO: I think the answer then would be to contact PERS and find out if it is possible, through legislation, to bring this about. If they bought in, paid in for, say, a period of four years, they could then piggyback on those years as their new pension plan evolves from their city employment.

MR. GRAHAM: And that's certainly a good suggestion and we will take it.

SENATOR AYALA: Senator Thompson's aware of these recommendations?

MR. GRAHAM: Yes, sir. We spoke with him yesterday.

SENATOR AYALA: Thank you.

MR. GRAHAM: Thank you, sir.

SENATOR AYALA: Okay, you bet.

Mr. E. William Withrow, Jr., Mayor of Alameda. Not here.

All right. That completes our agenda. However, we do have a few other folks who wish to be heard. The first one is Rick Mendoza, a concerned Seaside citizen.

MR. RICK MENDOZA: Good afternoon, Senator Ayala, Senator Mello and Mr. Macola.

My name is Rick Mendoza and as a concerned citizen of Seaside who grew up here on the Peninsula from grade school, junior high, and Monterey High School as well as Monterey Peninsula College, I have a great compassion and respect for the military veterans who reside here on the Peninsula.

Recently, my father, Frank Mendoza, passed away at Community Hospital in Carmel on November 27th, just a few days after Thanksgiving. My dad was a 30-year Navy veteran, served as a chief steward, and a veteran of Pearl Harbor and the Korean War. He was a Seaside resident for over 30 years and spent an additional 18 years in civil service at the Naval Post Graduate School. He was so proud of his three children who he sent to college. For years he enjoyed the benefits of being a military veteran, such as usage of the commissary, the Fort Ord Hospital, the Defense Language Institute Clinic, and others. However, when he found out that Fort Ord was closing he was very wary as to how the vets would be treated regarding their benefits and privileges. To dad, the Peninsula was a retirement community and a great place to raise a family. His dream was shaken when he dealt heavily with the decrease of medical facilities by Fort Ord when he was admitted to the hospital on November 23rd of this year. Since an ICU was no longer present they had to transfer him to Community Hospital. At present, Fort Ord's emergency room has very limited hours, which has been a very big burden to the military community. I believe that if an ICU was available to him he would have received medical treatment a lot sooner. Since he didn't get the medical attention right away his illness worsened until he passed away a few days after Thanksgiving.

My concern is that it's been very hard for the military vets to adjust to the transition of the Fort Ord closure. The vets have been using CHAMPUS and other medical facilities but they do not feel any empathy from the government for this dramatic change in their lives. My father spoke to Congressman Sam Farr about his own complaints during Congressman Farr's race for the Congress.

A lack of empathy, for instance, to my family was recently encountered when we found out that my father could not have, in his honor, at his military funeral the traditional "Twenty-one Gun Salute". We were upset when being informed that only those on active duty who passed away were the fortunate ones to receive this recognition. Our family felt betrayed that our father's 48-year service to America could not be properly given a "Twenty-one Gun Salute" due to reduced funding in government. Through many phone calls and persistence, we finally received all of the ceremonious duties except the gun



salute. At the funeral we had a military color guard, a Navy whistle salute, the presentation of the American flag to my mother and, with a small donation, a bugler. All in all my family was happy but thoroughly drained that it took many hours of phone calling and visits to military heads of government just to have a proper military ceremony for my father. Many other friends of the family who experienced their fathers and husbands deaths have gone through similar experiences as my family.

Since Fort Ord is a model military base closure I'm sure that other bases have dealt with similar misfortunes, too. This situation needs to be addressed.

To the Senate Select Committee, what can you do to show more compassion to the vets and their families during this dramatic change of their lifestyle and, in addition, to ease any worries and frustrations that we encounter as a result of military base closure?

Thank you.

SENATOR AYALA: Have you followed up on your discussions with Congressman Farr?

MR. MENDOZA: Well, what had happened was when -- my father had lived here in Seaside for well over 30 years. He was one of the first Filipinos from the Philippines to join the U.S. Navy. I've been laid off more than once right out of college from San Diego State, and Congressman Farr, when he was running for office to take Panetta's position, he was walking up and down our street and Sam Farr made a point to come to my father's since he knew that my dad had lived here in the Peninsula for many, many years. My father invited Sam Farr into our home. He talked to him for a good 15 minutes and I addressed my situation about how, you know, many people had been laid off and so forth while my dad addressed the situation that he was concerned about his privileges and so forth, about his medical attention, you know, was not catered to and he wanted to find out if Sam Farr or anybody in government could address that situation.

SENATOR MELLO: (Inaudible.)

SENATOR AYALA: Why don't you get in touch with the Senator. He might be able to help you through Congressman Farr's office.

SENATOR MELLO: I'd be happy to convey this message to Congressman Farr and we'll together and try to...

MR. MENDOZA: Because what we had done was when my father passed away we even contacted Congressman Farr's office because our family has a really good rapport with Leon Panetta since my mother worked with his nephew at the Naval

Post Graduate School. So we tried to contact Panetta but because he's in D.C. that was really hard to do. So we went as far as to contact the Naval Post Graduate School and many others just to get some type of a ceremony that we felt was suitable to my father. And I'm sure I'm not the only one that shares in this concern because there are many, many veterans here on the Peninsula that have to deal with this criteria. So I just wanted to address the situation.

SENATOR AYALA: Thank you, Mr. Mendoza. We appreciate your testimony.

We have Gilbert Santiago, a concerned Marina resident.

MR. GILBERT SANTIAGO: I was very moved by what I just heard. My father also served in the U.S. military. I grew up on Fort Ord most of my life, kindergarten to MPC in the various schools. When I was growing up on Fort Ord I couldn't understand how come, when it came to the point where it was time to go to the ninth grade, I had to go to Fort Ord and go to Fitch Junior High, then I had to go to Seaside High School.

The reason why I'm bringing up this point is that I live in Marina and I'm very concerned about the future of Marina. I spent the last 2½ years studying the viability of a theme park at Fort Ord and every time, it seems like, I would present it to the county board of supervisors I got the old, what do they call it? see no evil, hear no evil, and they pretty much just downplayed it. The redevelopment for Fort Ord is going to impact the City of Marina and the City of Seaside tremendously. It already has.

You know, it's funny, when we heard about Fort Ord's Silas B. Hayes Hospital closing everyone thought, well, okay, there's the Oakland Hospital, we could always go up there, and then one by one the Oakland Hospital closed down and then the Letterman Hospital closed down. My father went through a quadruple bypass heart surgery and, fortunately, he was able to have the surgery at Letterman Hospital. So I feel fortunate that he's still alive. He retired about a month ago and he's doing great.

But the future lies in front of us. And as much as the other cities, the surrounding cities feel that they have a stake in the redevelopment for Fort Ord, the thing that I find very hard to understand is why the cities of Pacific Grove and Monterey and Carmel can stand before this committee and not respond to the economic problems that the cities of Marina and Seaside have. It's really sad, they're like a pack of wolves. They're all saying, well, we have a right to redevelop at Fort Ord. A theme park is going to bring in revenue, it's going to help the tourist business. I looked over at the proposals for the universities, okay, and they were talking about how the downsizing of Fort

Ord, we were going to lose about 16,000 jobs. It was going to be 13,619 military jobs, 2,835 civilian jobs. Don't get me wrong, I'm for the university, but there comes a point when they stop focusing on the three E's of redevelopment, which is what everybody talked about: environment, education, and economy. For instance, Harvard University has around 20,000 students and their faculty is 800. So when you talk about a university of 20,000 students in a city of 20,000 people, you're talking about a heavy economic burden that the cities of Marina and Seaside are going to have to take.

All that the people of Marina and Seaside are trying to do is to say we want to be just like you; we want to be able to have our own tourist attraction, we want to be able to create our own source of economic growth, our own revenue, and we'd like to do it hand in hand with the surrounding cities, but we're not getting that. We're not getting that. And we need your support. I guess all I'm asking is if they can be a little bit more open-minded we can show them the facts on how everything that's being proposed can work. There's 28,000 acres on Fort Ord and everything that's being proposed can work. All that we're asking is please, have an open mind and let's do this thing together. We can do it. But you can't cut us off when we come to the chambers of the board of supervisors and you can't start yelling at this and the other. If you would just be silent for a little bit and listen to what people have to say and look at the facts that we have before us, then you will be able to see, hey, you know, this is going work. We'll have enough water. The cities of Marina and Seaside will be able to sustain economic growth. We'll be able to have the university so that people have an opportunity for a better life.

I had other things I wanted to say but I was kind of moved by what I just heard from the gentleman before me. It kind of came home. So with that, I want to thank you for your time.

SENATOR AYALA: Thank you very much, sir.

Buddy Lowe, concerned citizen from -- you tell us where you're concerned from.

MR. BUDDY LOWE: Seaside. Good afternoon.

From the inception of the closing of Fort Ord, we the interested citizens of Seaside have been meeting with the hope that this type of strategic would clear the way for our cities or Monterey County to move into what we thought would be our property. Now here comes the SB 899ers. Long before this we had formed an organization, which I was part of. We sent a letter to Senator Mello asking about this piece of legislation that he was going to introduce. I guess because we were not a political group his office chose not to address our

concerns.

As a broadcaster representing our Christian community, as an activist politically, I stand behind my Mayor, Lance McClair. I feel that with all the work that we have done, which has been demonstrated here today, we have our act together. All we have to do is get the very small kinks out of it, and with God's help move on.

I would like to also say that we're sort of disappointed in the fact that all of a sudden all of the work that we've been working -- and we have. We have been meeting, we have had all the FORG people together. We have been working steady on this situation. And it bothers me to feel that all of a sudden we have a whole group of people who comes in and says we don't even know what we're doing. On the contrary, we aren't together, and on the contrary to what anybody else says, our cities are together and we want to work together and we want to remind the people that we are still the voters, we are still the community. We want to remind everyone of this. We are the ones that put the people up here to help us do what we need to have done. I hope -- I hope -- that you will take into consideration all that we have done and know that we are together.

Thank you.

SENATOR AYALA: Well, let me tell you that I've been here all day and I haven't gotten the perception that you weren't together or that you hadn't done anything. I think they've done a lot! In fact, I'd like to congratulate those involved two or three years ago before there was any talk about a base being closed, that you started working to the day when that would happen, hoping that it wouldn't happen, but to be prepared in case it would happen that it was closed, and they got some things out of the way that's helped build the foundation as I see it. I'm talking as an outsider. I don't think all day long I got the perception that you hadn't done anything. You've done a lot and I want to congratulate you for it. With that voice you have you can go anywhere you want to go.

MR. LOWE: Thank you very much.

SENATOR AYALA: We have Mr. Biando, Monterey County Waste Management Task Force.

MR. VALERIO BIANDO: Good afternoon, Mr. Chairman.

SENATOR AYALA: I know you've been waiting all day, too.

MR. BIANDO: That's right. Good afternoon, Senator Henry Mello and Mr. Steve Macola.

My name is Valerio Biando. I've been on the Waste Management Task Force

for almost two years. I'm also one of the individuals who has been working to establish a restoration advisory board for Fort Ord, which is civilian oversight of the cleanup, and having input into the reuse of Fort Ord.

Just to answer one comment from the gentleman that was before this gentleman about tourist attractions and theme parks being established at Fort Ord. This is the kind of idea that is not a sustainable economic recovery idea. If you look at it in France or in Southern California or in Southern Florida, theme parks are great for large metropolitan areas, not necessarily for a small metropolitan area like this. This will not create 15-dollar, 10-dollar-per-hour jobs. This will create minimum wage jobs and we have enough of that in the Peninsula as it is with the hospitality industry the way it is.

We're working, or trying to have influence in trying to make sure that Fort Ord has a sustainable economy, which means develop technology in the cleanup industry, develop the cleanup or the technological industries that will remediate Fort Ord in the future. Those are the real jobs. We can be the model for the rest of the country if we develop those kinds of jobs that other communities throughout California and throughout the United States will say, yes, this is the direction we have to go to really develop sustainable economic recovery for base closure.

Those are just my initial remarks.

In order to make Fort Ord a real model for the rest of the nation, we must implement a restoration advisory board. We must implement today, not in mid-January, a restoration advisory board that will have a real say in the cleanup and reuse of Fort Ord. That is, civilian oversight. The public has to be informed. It can't be a closed circle. It can't be an insider game. It can't be policymakers telling the people how to best use an area like Fort Ord. The public has to be informed in a timely fashion and if it is not informed in a timely fashion it will be like a sleeping dragon. It will wake up later in the game when all of these decisions have already been made and that's the time when you're going to start seeing lawsuits and everything else, resentment, or "Why were we not informed sooner" about certain speculative things that are maybe going up at Fort Ord. They are the stakeholders, the Monterey Peninsula, Salinas, everyone, including Carmel, including Pacific Grove, including Del Rey Oaks, are direct participants in this regional approach. It has to be regional.

I understand the concerns that Marina and Seaside have about having control over how their land is going to be used. But we're not talking about parochial issues here. We're talking about Fort Ord having an impact on Carmel, on

Pacific Grove, in terms of the traffic it generates, the water use and the economic impact that it has on this Peninsula. We are a community. Senator Henry Mello has said this before in last Friday's meeting. We are a community. This has to be a community approach, and if it isn't a community approach God help us, because the state will come in and everybody else will come in and we'll have outsiders telling us how to run our business locally.

Up to now we feel that we've been somewhat ignored in trying to establish a restoration advisory board. This is according to the President's "Five Point Plan", the 9th September memorandum. All we're doing is saying, establish a restoration advisory board in October, not in mid-January. When the property is transferred in April what good will the restoration advisory board have in the input of the land reusing cleanup -- it will be a symbolic gesture for the BRAC commander and the Army and the federal government to say, okay, go ahead and establish your restoration advisory board -- and have no real power or input in influencing the land reusing cleanup? It will be like a toothless JPA authority again. What we're saying is make the restoration advisory board a true vehicle for public participation. Give it substance, give it credibility, give it power. This is what we've been working toward.

We feel that the problem really has been of public participation. We understand that the policymakers and council people and supervisors have been involved in this process. We also understand that the Fort Ord Task Force had a large number of people. But if you ask the general public what is going to happen at Fort Ord today they will come up with one answer: Oh, yes, we understand there's going to be a university established at Fort Ord. Do you know anything about 21-story hotels, do you know anything about using 22,000 acre feet to support a new tourist center for the Fort Ord? Twenty-two thousand acre feet of water. Where the heck are we going to get that? We don't have enough water right now to support everything that's going on in the Peninsula with the moratorium from the board of supervisors. Carmel Valley has had a moratorium for who knows how long about building. If we don't have enough water to support existing development here in the Peninsula, where the heck are we going to get that water to support new and larger schemes of development?

It is essential that a restoration advisory board be established today, it is essential that it be given real power, and it is essential that perhaps we should look seriously into considering pushing back the date for the Army to hand over the property to the Monterey Peninsula, pushing it six months away. Have the JPA work out its problems, come to a real consensus, come to an

agreement, push that date back six months. I think that's probably a reasonable solution. I understand that the Army is interested in getting the heck out of here. They want to limit their exposure as much as possible. They want to limit their liability as far as the cleanup. In six months we will know much, much more to what extent the cleanup really needs to be remediated. Three months from now we will just have a generic picture of the cleanup. We won't have it real in-depth. I understand that Lawson & Associates is working on this. But who knows what we will know in six months more? What about the chemical weapons that were used in Fort Ord? What about the vials that may have ended up in the landfill? What is the real alternative to putting a cap over that landfill? Are there unexploded munitions in that landfill? What about the housing that is built over part of that landfill? These are questions that have not been answered, to me, as of now. The public doesn't even have any idea about the possibility of chemical weapons having been used in Fort Ord, about the fact that part of that housing near the landfill was built over a landfill. When they're going to find this out they're going to say, "What?!" The public reacts emotionally to these things. When you mention chemical weapons they react, "My God! It's all over." They could have been just at specific points but as soon as you mention it it's like what the media does. The media only highlights what they think the public is interested in reading.

We had an example last week where the Monterey Herald wrote a story about the JPA dissolution, or the so-called dissolution of the JPA, and then one of the items on that agenda was the fact that the BRAC commander and the Army had decided to establish a restoration advisory board. Not one word in the Monterey Peninsula Herald was written about that very, very item, a very important item, we feel, about what's going to happen as far as the restoration advisory board. Not one word. In mid-January, when the Army comes out and says, okay, we will establish a restoration advisory board, then they will run an article on this, not before. That's not enough time for interested people to participate, to become involved.

So by lack of proper public presentation, by omission, by kind of, oh yeah, maybe we'll establish it, yeah, we will establish in due time, we feel that the public is being cheated in the real input of cleanup and reuse of Fort Ord.

And I thank you for your time.

SENATOR AYALA: Thank you, sir.

MR. BIANDO: Oh, and let me hand you this. This is what we've been putting out. This is through our own efforts, out-of-pocket expenses. We have spent



over \$1,000 just to make this available.

SENATOR AYALA: We would hope that your advice would be sought by the people involved, and I'm sure that they have or they will, and good luck to you. You have made very good points in what you've said.

MR. BIANDO: Thank you very much.

SENATOR AYALA: Okay, we have Mr. Woodworth, water systems activist, Pacific Grove. What kind of a water system activist are you?

MR. WILLIAM C. WOODWORTH: Mainly water, sewage and drainage and cleanup.

SENATOR AYALA: I bet you supported the Peripheral Canal.

MR. WOODWORTH: Well, true.

SENATOR AYALA: Mr. Woodworth, you have the microphone. Go right ahead.

MR. WOODWORTH: Thank you, gentlemen.

I would like to just basically cover the three-minute talk that I gave back on the 29th of October when your agency from the state was here on the -- when the military base reuse task force was here, and I understand today that this may be published in January and so forth. I was the next to last speaker at that time so I get used to speaking last or close to the last.

But anyway, I would like to bring up just a few major points on the subject of water infrastructure planning on military bases in semi-arid parts of California. Fort Ord is a case in point of what we mean. In land use planning for water, sewage, drainage and cleanup some major problems pop up for both short- and long-range solutions to our continued water supply and ground water pollution problems.

I suggest that we be careful to separate the water utilities from the infrastructure. I think this is very vital when we were talking today about a JPA that's going to handle all these things. I certainly shutter when a JPA that we're starting to form would handle the infrastructure process and particularly water. So I'm suggesting that we use the term "aquastructure". Aquastructure is a subset of the category to use the proper attention and priority to those water-related aspects in Fort Ord. Incidentally, in the paper, the Herald, and this is, I guess, last weekend or so or a week or so ago that talked about -- asked several key people in the area what the major problems were, just the one major problem they had in the area, and most of them said "water". One of them said, "Yeah, the number one is water and number two is water." That was a major developer. But the trouble is we talk about water and we only think of water in terms of drinking water and that's not what the water is. Drinking water is only needed in about 10 percent of the operation. The trouble is we misuse the water and we misuse it for at least

two or three decades around it.

Anyway, I'm a retired meteorologist and geophysicist and activist in water conservation. I look at the big environmental factors in the world hydrological cycle and annual rainfall patterns to solve our coastal water supply and Clean Water Act problems. This apparently conflicts with the land use considerations of other environmentalists who take a more narrow view of Mother Nature's geography and the habitats and so forth. I see that on Fort Ord we're having all kinds of problems. For the last couple of years I've been working on this problem, I bump into the endangered species -- they're much more important than water. Anyway, most of my environmental friends don't seem to understand that water around the world is a natural environmental factor that's been for years and years but they don't consider that.

I'd like to just leave the message with these major points. I'd like to propose to you the following.

1. Consider seriously spinning off the base water utilities management separate from the general utilities.

Fort Ord has operated with these four functions and now you're going to break them up, and not only that, but as Mr. Meurer said a little while ago, things are deteriorating, it's in bad shape, it's getting worse. Time is against us.

2. Organize an aquastructure management under one single command/control structure.

One agency to do the aquastructure. And keep the politicians out.

3. Consider privatizing part or all of this management team.

I think it's very vital to really look at this. Most of the other utilities on Fort Ord are private, run by professional people who, again, know what they're going to do but they're waiting to find somebody to give them the go.

4. Keep the line politicians -- I say line politicians -- away from the water issues once the above structure is established.

Elected officials -- and I was an elected official for six years, I know what the problems are on both sides -- the elected officials of this governing body, if there is such a body, are exempted but they can be evaluated by the customers of the water services only; whereas, the line politicians, we've got 55 other things you can be evaluated on, and that's our problem in Monterey County.

5. Consider setting up a state base reuse subcommittee to work with the state Stormwater Task Force.

Which I'm a member of. There is no coordination, as I see, with the stormwater operation which is -- that's where all the water comes from. That's where the water comes for the aquifers but we're not doing anything. That's got to be

cleaned up.

6. Look to the major economic benefits to the base and adjacent aquastructure developments by using such waters to slow the aquifer damage, saltwater intrusions and so forth, and to protect against the 10-12 year drought flood cycles.

Which so many of the people just completely miss. Politicians don't understand it and they have to be reminded.

But these are the six points I think should be done and not only at this level using Fort Ord as a pilot study but spread it out. I'll be glad to work with you on it.

SENATOR AYALA: Thank you so very much for your testimony.

Mr. Franklin Washington from Seaside. And finally, we have Curt Gandy with the Military Toxic Project. Mr. Gandy, you're the last speaker today.

MR. CURT GANDY: Thank you. I hope I leave a lasting impression.

Senators, city representatives, county representatives. I thank you for the opportunity to speak on an issue that is very significant, as we all can see.

My name's Curt Gandy. I'm a federal employee at Fort Ord. I'm the Health and Safety Officer, I'm a representative of labor at Fort Ord, and I'm speaking to you in two capacities today. One is as a labor representative.

I heard some very good comments and it heartened me to hear the City Manager of Vallejo talk about the federal employee transfer to state and city positions. I was not aware that this was something that they were doing but it plays directly into an issue that we're trying to deal with at Fort Ord. As part of the Military Toxics Project one of the side issues, and one of our chief researchers, Lenny Segal, from the Bay Area who's worked with the Silicon Valley Toxics Coalition with Ted Smith who's a labor attorney there, and Lenny Segal drafted some legislation for Barbara Boxer on the retaining of federal employees, and I'm sure that you gentlemen are familiar with that. I just wanted to say that I endorse that. This is one of the things that the union at Fort Ord is trying to pursue and seek endorsements on and implement and it's a very, very fuzzy area because everyone seems to be pursuing these at different levels throughout the state and throughout the country.

I would ask that you gentlemen provide some guidance on how we might be able to take advantage of some of the proposals throughout the state more or less. I know that you're busy doing a lot of things but if we had one central point to deal with this issue it would be very helpful. As a union representative I'm talking to people all over the nation as well as the State of California to find out what everyone is doing, and I hate to have to go

through the process of reinventing the wheel.

Also, recently Walter Wong wrote a letter to the Department of Defense regarding the use of local resources in environmental cleanup and he points out that there's problems with the contracting, or not problems with it but the Department of Defense's contracting processes are extensive, confusing. I'd like to see something come out of his letter and other information regarding the streamlining of that.

The second issue that I wanted to speak about was -- and I'm speaking now as a citizen of Monterey County. The Military Toxics Project has kind of sprouted a group here dealing with the cleanup of Fort Ord, and Mr. Biando covered pretty well the issue of a restoration advisory board. I wanted to point out that our focus is civilian oversight of the cleanup of Fort Ord. I'm heartened to hear the emphasis on grassroots is beginning to develop. My concern is that there is not enough focus on the public involvement on the cleanup process.

Mr. Biando mentioned earlier the memorandum 09 September 93 from the Undersecretary of Defense, and if I could quote one thing from here, it says, "I want to emphasize that this initiative calls for sharp departure from business as usual. As such the DOD components should use the attached policy for implementation without further issuance of component-specific policy." And then if you go directly to the section that deals with, "Improving public involvement in environmental cleanup at closing bases," and it's very specific on the process on how that will happen. When I spoke to Colonel Elzey at a meeting last Tuesday, who's the garrison commander at Fort Ord, he indicated to me that the Army is going to pursue a restoration advisory board, and as Mr. Biando pointed out, that didn't get much publicity.

I guess what I'm saying to you, in essence, is that the restoration advisory board has an outline on how that process will be implemented. If you read our petition -- it's like these two documents specifically. This is the government side of the house and what they're supposed to do and this was generated from the interim report, "Federal Facilities Environmental Restoration Dialogue." That is also cited in our petition. And in here specifically it gives the exact process on how to go about establishing a restoration advisory board. I would like to see that implemented.

Thank you.

SENATOR AYALA: Thank you very much.

I understand we have one more individual who wishes to be heard and then we'll call it a day.

SUPERVISOR SAM KARAS: Hi. I'm Supervisor Sam Karas. I'll be very brief. I am Supervisor of the 5th District. I must tell you that Senator Mello is the person that we must commend for all the efforts he has done in trying to get the Fort Ord reuse all together.

Let me just tell you briefly, I've been on the Fort Ord Task Force since the day they announced they're going to close Fort Ord back in 1990, so I understand all the problems. I can understand Seaside's problem, I can understand Marina's problem. By the way, I was supervisor of Seaside for eight years before redistricting put me in another district.

But the big key I wanted to leave you with today when you go back to Sacramento is one important thing. I've made many trips to Washington. There is one message they tell us, that they only want to deal with one single governing entity and we must have unified goals and purposes for that entity. And so I urge you -- you said what the state can do for us -- is to support Senator Mello when he presents his amended Senate Bill 899 to create a basewide community district. I think that's very important. And what these cities forget is one important thing. The community is all of us. It's not Seaside, it's not Marina, it's not Monterey, it's not Monterey County. Let me tell you, it's all of us.

The second point I want to bring, put all the energy you can on the federal government to give us much resources to create jobs. That's what we need down here is jobs. All efforts you can do in that we'd appreciate.

The next thing, I know you do it right, you have the support for it, but keep your support for the new California State University campus. I must tell you, 95 percent of the people in this particular area support it. It's a catalyst for us to create a multi-educational center that will be nationally renowned. We want your support, and you better say yes before you leave here today.

And the last thing, if you can, the last thing is, to me, a very personal thing. I have fought for the homeless ever since I've been a member of the Board of Supervisors. Let me tell you, Marina has a concern about them. They're only asking for 220 units out of 6,000 units at Fort Ord. And the top priority with the Clinton Administration is the homeless and I hope you bear that in mind.

And again, thank you very much for allowing me to be here.

SENATOR AYALA: Thank you. If you had been first we could have canceled the meeting. You covered it very well. Thank you, sir.

Well, that bring this meeting to a conclusion. I want to thank Senator

Mello and those others who were up here to listen to you folks. I think a lot of good ideas have come out of this meeting. For one, you folks should start working together to see what you can do to iron out some of those kinks that remain on that joint powers authority and put it together as it involves the environment and the homeless. Everyone should be involved and considered on this plan. I think that Senator Mello probably has done that already. I'm not familiar with the plan all that well, but knowing Henry I know that he's got it planned well for you folks and others involved with him.

So with that, I want to thank you for having us here at Seaside. Appreciate it.

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